Daily Report

Latin America

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FBIS-LAT-92-119 *19 June 1992*

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Continued Reaction to U.S. Supreme Court Ruling

La Paz TV reports Bolivian President Paz said, "Bolivia has not received any official communique" regarding the U.S. Supreme Court decision. Therefore, "such a ruling does not exist officially." Although, he did say "as with any citizen of the planet, we are worried about it."

LA PRENSA GRAFICA reports that the president of the Salvadoran Supreme Tribunal affirmed that the Supreme Court magistrates would continue "to fulfill and ensure fulfillment of the Constitution, which explicitly prohibits the extradition of Salvadorans." He stated that in the event a Salvadoran was kidnapped, "the Armed Forces are duty bound to protect him."

EL GRAFICO reports Guatemalan President Serrano called the U.S. Supreme Court decision a "juridical atrocity." He added, "I do not believe this decision will stick because it is unacceptable."

In reaction to the U.S. Supreme Court decision, Honduran President Callejas stated, "I would say it is the president of the Supreme Court of Justice who should analyze the grounds for the U.S. Supreme Court decision, and determine whether or not it affects our country's interests," Tegucigalpa radio reports. Orlando Lozano Martinez, president of the Honduran Supreme Court of Justice, stated, "We are going to discuss the report in the next Supreme Court of Justice plenary session." LA TRIBUNA reports a statement issued by the Information and Press Directorate of the Foreign Ministry says, "It is a conventional, generally accepted principle of international law that international treaties are commitments made by governments that must be observed in good faith so justice may prevail..." "It is likewise an international norm that no government may stop complying with its treaty obligations, justifying its actions with national norms or on administrative or judicial resolutions issued in the application of domestic law."

Managua TV reports "the Nicaraguan Government does not accept the U.S. Supreme Court ruling." Foreign Minister Leal stated, "The resolution is totally unacceptable because it disregards the most basic principle of international law: Respect for the sovereignty. It also sets a precedent of extraterritoriality which Nicaragua does not accept. No Nicaraguan will be extradited to another country from Nicaraguan territory."

Regarding the recent U.S. Supreme Court decision, Edward Seaga, Jamaica's parliamentary opposition leader, stated, "As a world leader, the United States of America ought to take a better course than to be a world bully. I consider it to be an extremely offensive and arrogant ruling," according to CANA

The Paraguayan Senate adopted a declaration "deeply deploring" the U.S. Supreme Court ruling in the Alvarez Machain case, according to Asuncion TV. The Senate has instructed that the declaration be "made known" to the U.S. Congress.

The Uruguayan Senate has unanimously rejected a U.S. Supreme Court ruling, which virtually allows the abduction of people in a foreign country for trial in the United States, reports NOTICIAS ARGENTINAS. The Uruguayan Senate states that his ruling "'constitutes a serious decision' because it affects international law and the principle of the territorial integrity of states."

The Venezuelan Foreign Ministry released an "official communique" terming the U.S. Supreme Court decision in the Alvarez Machain case "a violation of international law," according to NOTIMEX. The communique says that the decision establishes "force as the abiter" in international relations and "warns" that it "would effect" the U.S.-Venezuela extradition treaty.

Venezuela

Caracas TV reports that President Perez told a radio audience he would not resign as president because that would be "betraying the people who elected him." Perez said he was "aware" of the people's "dissatisfaction" stemming from needed "adjustments," but he "pledged" that he would "complete his presidential mandate" and "lift Venezuela out of the crisis."

Panama

Panama City radio reports that Government and Justice Minister Juan Chevalier announced the dismissal and arrest of the chief of operations of the National Police, who was in charge of operations and coordination at Plaza Porras during President Bush's visit. He added that subordinate officers were also being disciplined.

Cuba

Commentators on U.S. Supreme Court Ruling

PA1806165392 Havana Radio Havana Cuba in Spanish 0000 GMT 18 Jun 92

[Roberto Morejon and Miguel Cabrera commentary]

[Text] [Morejon] My colleague Miguel Cabrera and I will talk about a report that has shaken not only the Mexican public but also the public in Latin America and beyond. We are referring to the U.S. Supreme Court ruling authorizing the government and police or repressive forces of the United States to kidnap a citizen in another country if U.S. authorities believe he should be tried in the United States for a specific crime.

This decision has shaken the Mexican and Latin American public. Even some Latin media in the United States have reacted to this ruling. In the first place, the ruling, announced on 14 June, says U.S. authorities have been empowered to kidnap any person who has violated a U.S. law. Although this decision refers specifically to Mexico, it touches on all of Latin America.

[Cabrera] On Latin America and other countries. Canada has already voiced its protest against and disagreement with this measure and added that whoever enters its territory to kidnap a person to take him to the United States will be regarded as a criminal and will have to answer to Canadian law. In other words, this shameless intervention in the internal affairs of Mexico and other countries has been criticized outside Latin America. It is worthwhile, however, to discuss the grounds for this ruling. Particular reference has been made to the case of Mexican Dr. Humberto Alvarez Machain who, as our listeners know, was taken from his home in Guadalajara on 2 April 1990 by armed DEA agents. He was taken in secret to the United States, where he was charged with participating in 1985 in the murder of Enrique Camarena, another DEA agent.

[Morejon] The Mexican doctor is being held in a U.S. prison, awaiting trial. With the U.S. Supreme Court's decision, the U.S. Government has legalized the Mexican doctor's kidnapping and lays the groundwork for similar actions as often as the United States regards it as appropriate. As you said Miguel, the reaction was immediate, not only in Mexico but in Canada. I also have several news agency dispatches reporting reaction in Colombia. This alleged U.S. purpose of going after drug traffickers in Latin America might be used as a pretext by the United States to kidnap and try any person regarded as a violator of U.S. law.

[Cabrera] This U.S. Supreme Court decision, however, was not unanimous. At least three justices opposed the decision. One of them, John Paul Stevens, said angrily that the ruling was a bad precedent for the United States to set internationally. In addition, the ruling has a precedent, very cutting, particularly for the Panamanian people. The virtual kidnapping of General Manuel Antonio Noriega was preceded by a military invasion of a country where no war had been declared. Noriega was tried in the United States recently and is now waiting sentencing.

[Morejon] Time is running out, Miguel. We are getting the signal, but I would like to mention an important aspect. This ruling contradicts the agreements reached at the recent OAS meeting in the Bahamas, where those in attendance opposed all violent acts in other countries of the hemisphere.

U.S. Court Ruling 'Worries' Latin America

PA1906120592 Havana Radio Havana Cuba in Spanish 0100 GMT 19 Jun 92

["Our America" commentary read by Manolo Ortega]

[Text] The U.S. Supreme Court ruling authorizing the kidnapping of people in any country to be tried in U.S. territory worries almost all Latin American governments with good reason.

We say with good reason because if the measure is implemented, it will adversely affect the nations that already have had conflicts with Washington because of drug trafficking problems. Despite U.S. impositions, these countries have rejected the presence in their territories of foreign troops which claim they are going there under the well-known pretext of fighting drug trafficking.

Undoubtedly, it cannot be said often enough, but the U.S. measure—which in the first place attempts against the sovereign rights of any country—could legalize the deployment of troops or of DEA officials to take the law into their own hands.

One of the countries concerned about the eventual implementation of the ruling approved by the U.S. Supreme Court is Colombia. The Colombian authorities, in an official communique, said kidnappings could seriously hurt relations between the United States and Colombia. As you may recall, last year President Cesar Gaviria decided not to extradite drug traffickers but to judge them inside the country. In doing so, he disregarded a U.S. Government request demanding the extradition of those people. The Colombian Government's proposal was accepted, and several drug trafficking leaders decided to turn themselves in, including Pablo Escobar and the Ochoa Vasquez brothers—Jorge, Fabio, and Juan—who are awaiting trials in Colombian courts.

There are not just the objections of top officials from the Colombian judicial branch to consider. In addition, no criminal may be extradited to U.S. territory because, according to the laws passed last year, extraditions—let alone kidnappings, which are clearly illegal—are banned by the Constitution.

Bolivia is another country liable to suffer the consequences of the arbitrary U.S. judicial action. In this regard, the Bolivian Foreign Ministry demanded that the

U.S. Government make a clear statement saying it will not resort to the privilege granted by the Supreme Court to kidnap alleged criminals and have them stand trial in U.S. territory. Bolivian Foreign and Worship Minister Ronald MacLean said if the U.S. law is applied, his country should revise all the activities conducted by U.S. agencies in Bolivia and subject them to very special norms.

Since Washington announced the approval of such a controversial law, Latin American Governments have been holding consultations among themselves to make decisions in this regard even though up until now the most significant (?confrontations) are taking place between Mexico and the United States.

It is altogether fitting to reiterate that the U.S. Supreme Court ruling, in addition to approving a law that authorizes the government to commit a crime, also disregards the sovereignty of each country and becomes a universal threat against the rights of citizens. The matter is quite inconceivable because the United States is trying to convey an image to the world as being the champion of the individual rights of people.

Global, National Population Trends Discussed

FL1806011592

[Editorial Report] Havana Cuba Vision Network in Spanish at 0105 GMT on 17 June broadcasts the "Open Agenda" program on the subject of the population situation in Cuba and the world. Program host Lucia Gonzalez begins by introducing two guests: Professor Eramis Bueno Sanchez, director of the Center for Demographic Studies of the University of Havana, and Professor Fernando Gonzalez Quinones, director of the Education Department of the University of Havana.

Lucia Gonzalez asks Bueno what traits characterize the world population. Bueno says that in 1987 the population of the world reached 5 billion people, and that in the five years since then the population has increased by 480 million people. He goes on to say that this overwhelming growth is occuring in developing countries, the poorest countries, the ones least equipped socially, economically, and politically to handle this population growth. He says that 77 percent of the world's population lives in these countries, and that this figure will increase to 84 percent by the year 2025.

Bueno states that 240 million people, approximately 47 percent of the population of Latin America, live in poverty. He adds that the industrialized nations are experiencing a decrease in population growth, an increase in the number of people over 60, and that a large number of people from Asia, Africa, and Latin America are emigrating to the developed nations, displacing European whites.

In response to a question from the host, Gonzalez Quinones says that presently there are approximately 10,791,000 people in Cuba. Of this, 12 percent are over 60 years old; by the year 2025 this figure is expected to be 22 percent. Gonzalez Quinones adds that the increase in the number of older people is due to two main processes that have taken place in Cuba in recent years: life expectancy has reached 75 years, and there has been a considerable drop in the number of births, particularly over the last 10 years. The average number of births per female dropped 46 percent between 1970 and 1979 throughout Cuba. In rural areas, where Cuba currently needs a larger labor force, the drop was 56 percent.

Gonzalez Quinones presents two graphs illustrating that at present the majority of the Cuban population is relatively young, but that by the year 2000, this sector of the population will be over 40 years of age, and by 2025 it will be over 50, 55, or 60 years. He talks about current plans to handle the effects of this situation: a larger portion of resources will need to be devoted to social security programs; the health infrastructure is already being reorganized by the Public Health Ministry to take care of this aging segment; and urban facilities will need to change in order to accommodate this group.

In response to another question, Bueno states that Havana City is overpopulated despite government programs to halt the population's trend toward concentrating in large cities, as has happened throughout most of Latin America. Havana City does, however, have the slowest growth rate of any city in Cuba. Even so, efforts are being made to redistribute the population geographically in accordance with the implementation of social and economic development programs, such as the food program which requires a large labor force. Bueno stresses the success of the Turquino Plan in halting migration toward the cities by developing rural regions.

On the question of which is larger, the number of marriages or the number of divorces, Gonzalez Quinones says that on average, more couples are getting married than are divorcing. He adds that the divorce rate, which is as high in Cuba as in any other country, is a concern, and is related to the increased independence and social and economic roles of women, which undoubtedly change the structure of the family.

Lucia Gonzalez asks whether the Cuban people are aware of the population situation and if those organizations in charge of implementing the suggestions of the Center for Demographic Studies are receptive to their proposals. Gonzalez Quinones says that in general terms the people are aware of such things as increased life expectancy and the drop in infant mortality, but that what is happening with the birth rate is not as well known. He says that no one knows what the impact of this drop will be, nor why the birth rate has not dropped at the same rate among teenagers. The influence of abortion, the rate of which is high, is not known, and in certain regions and among certain groups of the population, abortion is more widely used than contraception.

Bueno again stresses the importance of the Turquino Plan as an implementation of the demographic center's suggestions.

At 0128 GMT host Lucia Gonzalez closes the program with a call for the people to learn about and prepare for the future.

Santiago de Cuba Completes Sugar, Soy Planting

FL1906012192 Havana Radio Rebelde Network in Spanish 2300 GMT 18 Jun 92

[Text] Sugar workers in Santiago de Cuba Province have completed the sugarcane and soy planting program of the current sugar campaign and in this manner the province has become the first one to finish the process of guaranteeing the next harvest. Tens of thousands of regular and volunteer workers began the sugarcane spring planting campaign in January and saw their efforts become a reality with the planting of 359 caballerias in the eight agroindustrial complexes of the province.

This effort can be classified as praiseworthy if we keep in mind that the workers first had to confront a severe drought which was threatening the success of the campaign and later, the rains in May also had an impact because they were locally heavy in certain areas and access to the fields was blocked. Yet, as soon as the rains stopped, the men and women of the different complexes intensified their sugarcane spring planting efforts; a task rewarded by its completion. This is an important contribution to the success of future sugar harvests in Santiago de Cuba Province.

Escambray Mountain Area Development Noted

FL1806185592 Havana Radio Rebelde Network in Spanish 1155 GMT 18 Jun 92

[Report by Rafael Daniel from Sancti Spiritus on the "Doing Radio" program]

[Text] I am in the Escambray Mountains, and I was listening a few minutes ago to that recorded report about Camilo [Cienfuegos] and Che [Guevara]. That report was made here, in these mountains. I was analyzing the great difference there is between those times in terms of the development of the mountains, or the underdevelopment or complete lack of development in these place, and what exists today.

Under the Turquino Plan in Sancti Spiritus Province, right now there are 184.5 km of electric lines, which makes it possible for 97 percent of all permanent settlements to have electricity. Analyses have been made of 36 places which have hydroelectric potential, and seven minihydroelectric plants have been built. Two of them were completed recently, and another is nearing completion in the (Lunao) area of Las Llanadas de Yaguajay.

In this five-year period, more than 50 km of lines will be put up. This will benefit 13 settlements. The people in the mountains could not even dream of having electricity 34 years ago. There are also 173 km of telephone lines. In the three-year period from 1988 to 1990 alone, (?25) km were put up, and mail and press services have been totally covered. Two television translators [words indistinct] will be set up, and there will be an increase from 10 to 60 watts in the Topes de Collantes area. That is, there will be an increase from 10 to 60 watts for FM broadcasts in the Topes de Collantes area.

Plant-Cloning Facility Opens in Villa Clara

FL1806180992 Havana Radio Reloj Network in Spanish 1404 GMT 18 Jun 92

[Text] With a view to the propagation in vitro of tubers and edible roots, the first biological products factory built in Cuba has been dedicated at the National Institute for Research in Tropical Tubers [INIVIT] in Villa Clara. Tomas Cardenas, a member of the Central Committee and first secretary of the Communist Party of Cuba in Villa Clara Province, cut the ribbon which opened the modern factory, which was built by the workers of that institute.

Through tissue cultures, the biological products factory will propagate promising clones of yucca, boniato, malanga, yam, and other species, including plantain, with the aim of supplying micro-plants with high genetic potential and free of viruses or diseases for accelerated reproduction at the other biological products factories in the country. The start of operations will make it possible for the researchers to cut three to four years between the time they obtain a new clone and its spread to enterprises and cooperatives, in comparison with conventional methods of propagation.

Guinean Delegation Signs Cooperation Agreement

FL1906014692 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 19 Jun 92

[Text] The eighth session of the Joint Intergovernmental Cuban-Guinean Commission for Economic, Scientific, and Technical Cooperation has concluded in Havana with the signing of a bilateral agreement. J.J. Fernandez has further details.

[Begin Fernandez recording] The agreement was signed by Rodrigo Garcia Leon, minister president of the State Committee for Finance; and Ibrahima Sylla, foreign relations minister of the Republic of Guinea. The signed document constitutes a program of cooperation between the two countries for two years. It basically covers the fields of education, sports, and health. The latter field is guaranteed by a brigade of 27 Cuban medical professionals who will be permanently stationed in Guinea.

Garcia Leon said that this is a time for action and that the signed agreement is a challenge to our capabilities to surpass the difficulties which the two countries are going through. For his part, Foreign Minister Sylla said that he returns to Conakry with the certainty that Cuba continues to be a friend despite difficulties and predicted

new success in Cuban-Guinean relations. The Joint Intergovernmental Commission initiated talks for future economic ties between the two countries. [end recording]

Technical Cooperation Agreement Signed With PRC

PA1806160992 Havana Radio Havana Cuba in Spanish 0000 GMT 18 Jun 92

[Text] The PRC and Cuba will increase scientific and technical cooperation, according to a preliminary agreement signed in Havana by a PRC scientific delegation. The delegation came to Cuba by invitation of the Cuban Academy of Science.

The document deals with the exchange of information and technology, and joint work on seismology, solar energy, and the preparation of the soil for rice crops.

Haiti

Process for New Government Installation Viewed

FL1806181692 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 18 Jun 92

[Text] The process of implementing the law on the Villa d'Accueil Agreement has also created some confusion among the parliamentarians, as mentioned by the president of the National Assembly on the occasion of the opening of the second working session of the House of Deputies for this year. This was noted by the public after Senator Yvon Gislain voted in favor of the general policy of the new government during the vote in the Senate on 13 June.

Up until a few hours before the session of the House of Deputies, Evans Paul, one of the National Front for Change and Democracy [FNCD] spokesmen, sent a warning to the Front's parliamentarians, asking them to respect FNCD orders on the occasion of the statement of general policy of the Marc Bazin government. Nevertheless, 46 deputies said they agree with the consensus government's policy which it pledges to apply.

The installation of the consensus government is the last step in the implementation of the law on the 8 May agreement. This installation will ipso facto cause the resignation of the provisional government, which must leave power once this government has been installed under the Villa d'Accueil Agreement. From then on, the post of president will remain vacant until the crisis is completely resolved so a new president [as heard] can come to power, still under the provisions of the Villa d'Accueil Agreement.

Aristide Visits Haitian Committee in Martinique

FL1806045192 Bridgetown CANA in English 1558 GMT 18 Jun 92

[Text] Castries, St. Lucia, June 18, CANA—Two members of the St. Lucia Committee on Haiti are in Martinique for talks with ousted Haitian leader Jean-Bertrand Aristide.

A statement Thursday [18 June] from the local committee said that Aristide is visiting the French island for 20 hours at the request of the solidarity group of Martinique, which is made up mainly of Haitians living there.

The committee said that Aristide, who was ousted from power last September by a military coup, will also visit Guadeloupe and French Guiana.

The statement said that Gregor Williams and Embert Charles from the local committee will "meet with President Aristide and participate in the public events this evening."

The St. Lucia Committee on Haiti recently announced that it had been forced to postpone a meeting here to discuss the situation in Haiti, because of fears for the saftey of the Haitian delegation.

Jamaica

Seaga Condemns U.S. Supreme Court Decision

FL1806222192 Bridgetown CANA in English 2146 GMT 18 Jun 92

[Text] Kingston, Jamaica, June 18, CANA—Jamaica's parliamentary opposition leader Edward Seaga has joined widespread condemnation of this week's American Supreme Court ruling that U.S. authorities had a right to kidnap people from a foreign country and prosecute them in the United States.

"As a world leader, the United States of America ought to take a better course than to be a world bully," Seaga told journalists here.

"I consider it to be an extremely offensive and arrogant ruling. There is no question in my mind that for the U.S. to adopt a position like this, it would lose the moral authority to redress any problems of infringement of sovereign rights anywhere in the world, because it would itself be a main violator of the infringement of soveriegn rights," said the opposition leader.

Earlier this week National Security Minister Keith (K.D.) Knight echoed the view of a dissenting judge on the U.S. Supreme Court panel that the ruling was "monstrous." Knight said the decision was "really based upon might is right."

Prime Minister Percival Patterson, questioned by journalists Thursday [18 June], stressed that Knight's statement was issued with his "full knowledge and concurrence."

A number of judicial organisations here, including the Advocates Association and the Bar Association of Jamaica, have condemned the U.S. Supreme Court decision.

Anti-Haitian Protest Prompts Hunger Strike

FL1806015192 Bridgetown CANA in English 0407 GMT 18 Jun 92

[Text] Kingston, Jamiaca, June 18, CANA—Some of the 82 Haitian refugees living at a former army camp in western Jamaica remained on a hunger strike for the third day Wednesday [17 June] to dramatise their anguish over an anti-Haitian demonstration in the area Saturday.

An official of the United Nations High Commission for Refugees (UNHCR), Bert Brown, was meeting with the Haitians Wednesday to encourage them to end the fast and to assure them that Saturday's demonstration by a relatively small crowd in the Montpelier district was an isolated action.

Some of the Haitians have been in Jamaica since late last year, having drifted to the island in small boats in their desperate effort to flee the military-backed government that overthrew Jean-Bertrand Aristide last September.

They were initially warmly welcomed in Jamaica until Saturday when demonstrators turned up in the Montpelier district to demand their removal from the community. The demonstrators said that the government should move them to elsewhere in Jamaica.

Among the complaints were that the community no longer had the army camp as a recreation facility and that residents of the area would lose opportunities for casual jobs as foreign soldiers on military exercise would not be billeted at Montpelier because of the presence of the Haitians.

Spokesmen for the Haitians have expressed concern over the tone of the demonstration and said that they would not mind being moved from Montpelier. The Foreign Ministry has so far declined to comment on the matter.

Foreign Secretary Presents Protest to U.S.

PA1806143892 Mexico City Canal 13 Television Network in Spanish 1300 GMT 18 Jun 92

[Text] The Mexican Government reiterated on 17 June its request to the U.S. Justice authorities to return immediately Mexican citizen Humberto Alvarez Machain. The request was presented on the second day of the talks between the Mexican and U.S. officials meeting at the Mexican Foreign Secretariat to review the terms of cooperation in judiciary and drug trafficking issues.

Kidnapping is contrary to the spirit of good neighbors, the Mexican Foreign Secretariat reported. The Secretariat added that its petition to repatriate Alvarez Machain is based on the U.S. Supreme Court of Justice ruling that the decision to extradite the Mexican doctor is an attribution of the U.S. executive branch.

On the other hand, the Foreign Secretariat presented to the U.S. State Department a protest note demanding that Mr. Teodulo Romulo Lopez be returned immediately to Mexican territory. Lopez was kidnapped on 13 June in Naco, Sonora State, and illegally taken to the United States.

There are two cities named Naco, one in Sonora and another in Arizona.

Our government will not accept, the protest note adds, local state agents with U.S. federal agents conducting incursions or police actions in our national territory under any circumstances as this is a flagrant violation of our sovereignty.

We hope they have not had the collaboration of any Mexican agents in this authentic violation of our sovereignty.

U.S. Policemen's Extradition Reportedly Requested

PA1806233892 Paris AFP in Spanish 2249 GMT 18 Jun 92

[Excerpt] Mexico City, 18 Jun (AFP)—Mexico will request the extradition of two U.S. policemen who participated in the kidnapping of a Mexican taken illegally to the United States, the Office of the Attorney General of the Republic (PGR) reported in a communique on 18 June.

The PGR stated on its part that it has consigned to the courts three Mexican policemen accused of negligence for not preventing the kidnapping of Mexican Teodulo Romo Lopez in the border town of Naco, Sonora on 13 June.

The PGR explained that Romo Lopez was kidnapped on a public avenue by U.S. agents Vicente Madrid and Randy Flores and taken to Tucson (Arizona) in an action permitted by Mexican authorities. [passage omitted]

* Accord on Productivity, Quality Concluded

92CA0167A Mexico City EXCELSIOR in Spanish 27 May 92 p 16-A

[Text of "National Accord on Raising Productivity and Quality," signed 25 May 1992, Los Pinos, Mexico City]

[Text] **National Accord on Raising Productivity and Quality**

Under the Economic Stability and Growth Pact, the labor, management, and campesino sectors, and the Federal Government have combined their determination and their efforts through consensus-building and over the past three and a half years have pursued a steadfast strategy to lower inflation, restore the economy's capacity to grow, and move forward with structural change.

As the rate of price rises has declined, the disruptions caused by inflation have waned. This has allowed the sectors and the government to focus their attention on eliminating structural obstacles and inefficiencies as the basis for developing the country's production capacity, achieving more active involvement on the international economic scene, and improving current living conditions.

Aware of the crucial role of productivity and quality in enhancing the creative potential of the population, opening up new possibilities for businesses in an increasingly competitive environment, and laying the physical groundwork for attaining higher living standards, the labor, campesino, and management sectors and the Federal Government express their determination to immediately and jointly take up the challenge of raising current levels of productivity and quality in a steadfast and ongoing manner.

Basic points of consensus:

- Under this accord the sectors view productivity as a concept that transcends a mere operational relationship between output and input. As stated in the National Program for Training and Productivity, it entails "a qualitative change that will allow our society, both in public and private enterprise, as well as in the social sector, to produce more and better things, to make more rational use of available resources, to become more actively involved in innovation and technological advances, and to create opportunities for all working people to participate more actively and creatively in economic activity and the fruits that it yields."
- Higher productivity and quality cannot be attributed to one single factor. In this regard, it cannot rest on the unilateral efforts of the workers, nor on the mere replacement of machinery or technology among all of the factors at work in a business. It depends on a range of factors, from the planning and organization of production itself to the labor relations, performance, motivation, and involvement of the work

force; the timely availability of sufficient financial resources; the competence and performance of management; links with suppliers and consumers; the working environment; the capacity to incorporate technological change; and the environmental conditions in which the company and the workers themselves operate.

- For all of the above reasons, a steady increase in productivity and quality levels represents a collective responsibility that belongs to all those involved in production: employers, managers, factory workers, technicians, farmers, and labor, campesino, and employers organizations. It also rests with the scientific and academic communities, the government, and society in general, within a framework in which cooperation and participation are basic principles.
- Transparency in the distribution of the benefits arising from productivity and quality is an essential requirement for enhancing them. Only if all sectors and society at large share equitably in the profits generated by their joint efforts will we be able to achieve a steady improvement in the overall levels of productivity and quality.
- It is a social and economic requirement for raising productivity and quality that all activity preserve an environmental balance. In this connection, individual and collective efforts must be joined; otherwise, we will be paving the way for the nation's socioeconomic deterioration.

Based on the above premises, the agents of production and the government pledge to promote the following guidelines for action within the scope of their responsibilities and through their respective organizations:

- The modernization of the organizational structures of the production environment, among others, management, labor, and government structures.
- The upgrading and improvement of management.
- An emphasis on human resources: —Ongoing training; —Conditions in the workplace; —The motivation, encouragement, and welfare of the workers; —Remuneration.
- Strengthening of labor relations.
- Modernization and technological advancement, research and development.
- A macroeconomic and social environment conducive to productivity and quality

The purpose of these guidelines is to propose major fields of action rather than spell out specific measures. The latter will have to be decided within each company and/or workplace, with active input from all players therein, as part of a process in which consensus-building is essential.

1. Modernization of the Organizational Structures of the Production Environment, Among Others, Management, Labor, and Government Structures

A major element in enhancing productivity and quality is a reconsideration of the organizational structures of both public and private companies. Today we are seeing a new economic and technological revolution in which rigid organizations producing standardized goods on a mass scale are giving way to a new and more versatile organizational model that can adapt quickly to technological advances, to the greater demands of consumers, and to the fluctuations in the relative prices of goods. Pursuant to this guideline, the sectors and the government, within their respective spheres of action, pledge:

- To promote an assessment and updating of company structures in order to simplify hierarchical echelons and reduce excessive departmentalization, which hamper the expeditious flow of information to all levels and the rational adjustment of production processes to the changing conditions of markets and technological development.
- Within each company and/or workplace in industry, agriculture, and services alike, to develop explicit objectives, goals, and indicators for productivity, quality, and service that in particular provide for gains in company efficiency and the satisfaction of consumers in terms of quality and prices.
- To promote closer relations between the production unit and its suppliers and to foster the joint development of projects, inputs, and products.
- In each establishment, to foster and improve labor relations and a working environment that are conducive to cooperation and involvement at all levels and to promote practices that help to give the workers a broader view of the organization.

2. Upgrading and Improving Management

The transformation of production structures demands managers who are better suited to the needs of our times. In this field the sectors and the government pledge to promote, in coordination with the educational sector, an updating of the approach to management, from training programs to programs for continuing education, with an emphasis on the following aspects:

- The training, skills updating, and development of managers who are prepared to perform in an economy that is more open to the world and that faces the challenge of structural change.
- Priority attention to quality and productivity as new ways by which companies can enter and remain in markets, thus replacing subsidies or relative advantages arising exclusively from labor costs.
- A new approach to production, labor, and the worker as focuses of attention for managers, who cannot merely track short-term financial performance.
- Greater attention to the goals and requirements of the company, against a horizon that goes beyond narrow, short-term thinking and that allows for planning and performance evaluation with a broader perspective.
- The development of a work environment that fosters participation in all spheres of activity and smooth communication between departments.

- A broader administrative approach that ties the interests of the company to those of suppliers and consumers, that views labor organizations as valid spokesmen in the development of the organization, and that promotes, acknowledges, and gives priority to the company's social ends and responsibilities.
- Special attention from managers to looking after the environmental setting in which the production unit operates.

In all production units we will seek to promote ongoing training and enhancement programs for managers to tailor their skills to the new challenges and requirements of a more open economy, rapid technological change, and new forms of competition in the marketplace.

3. Emphasis on Human Resources

Productivity demands greater emphasis on human resources. Labor is the central element in the interaction and integration of physical resources, capital, and technology and, as such, constitutes an essential component in the process of change. In this regard the signatory parties pledge to:

- Promote on a priority basis at workplaces policies aimed at the qualitative enhancement of human resources and at the creation of an environment that is conducive to the humanization of labor and that furthers the satisfaction of the workers' needs, their greater involvement in improving production processes, teamwork, job security, a healthy and decent work setting, and a sense that the workers and, if appropriate, their organizations, are involved in the company's future.
- Replace the narrow view of labor as a cost factor to be minimized with a new approach to human resources as a valuable element that needs to be cultivated and duly appreciated.

Ongoing Training

The signatory parties feel that it is indispensable to promote the following within companies, with the involvement of the workers themselves and their organizations:

- Policies for ongoing training at all levels (managerial, administrative, technical, and blue-collar) as a permanent sphere of activity associated with each job.
- Retraining programs for active manpower in view of the rapid shift in job profiles owing to technological change, with the resulting reassessment of various blue-collar, technical, and professional levels.
- Job induction programs that underscore the need for training as an investment in the future, one that must be bolstered with schedules for advancement and opportunities for promotion within the company.
- New training methods in agriculture and in small and medium-sized businesses that enable production units with common problems to join efforts, lower costs, and publicize performance more widely.
- The establishment by the government of new forms of registering and enacting training programs in order to simplify and decentralize these activities and make absolutely necessary information available.

Conditions at the Workplace

Raising productivity and quality and fully developing workers' capacities requires appropriate working conditions that enable them to perform their jobs in a more human setting and in an environment conducive to their safety and personal fulfillment. In this regard, the sectors and the government pledge to:

- Strengthen, with the support of the joint commissions, compliance with the laws governing workplace conditions that affect worker safety and/or health.
- Organize, with the support of the country's Consulting Councils on Safety and Health, an intensive orientation and prevention program designed to substantially lower the current levels of risk and to improve occupational safety and health conditions.
- Develop, with the direct involvement of workers and companies, programs to improve the environmental surroundings in which the production unit operates.
- Develop joint programs among labor and management organizations and the authorities to streamline worker commuting.

Motivation, Encouragement, and Welfare of the Workers

Human resources development and the willingness of workers to become more actively involved in their companies are closely tied to motivation. Although motivation is strongly related to the sociocultural environment, a great many of the conditions for encouraging workers must be developed in the companies themselves. In this connection, the sectors and the government recommend establishing or bolstering motivational programs that take the following elements into account, among others:

- Promote a constant flow of information from the highest executive echelons to lower-level employees concerning the company's objectives and policies, and encouraging feedback from the rank and file to executives as a means of fostering greater involvement and commitment.
- Give workers opportunities for development other than primarily routine tasks, thus affording them intrinsic job satisfaction in addition to financial motivation.
- Acknowledge, evaluate, and encourage worker performance, initiative, and involvement.

Remuneration

There is an important interrelationship between remuneration and productivity. On the one hand, the workers' perception of the importance attached to their jobs based on the remuneration they receive constitutes an essential factor in productivity and, at the same time, an element that may limit or spur productivity. On the

other, higher pay is related to the opportunities afforded by the economic environment and the trend in productivity itself.

This dual relationship between worker remuneration and productivity means that action must be taken in both directions: make remuneration an incentive for productive effort and see to it that the profits generated thereby are reflected properly in the earnings that workers receive.

In this connection it will be necessary to:

- Review and update pay schedules so that they help to motivate and encourage workers, properly reflect their contribution to productivity and quality, and guarantee the fairness that is indispensable in the distribution of earnings.
- Strengthen incentives for creativity and involvement; acknowledge that training and experience help boost the workers' production potential; reduce the dispersion of occupational structures; narrow the gap between the factory, technical, and executive levels; and in general, give due recognition, through pay, to worker training, efficiency, initiative, responsibility, and efforts.

There are many ways of doing this. Most importantly, however, they must be developed, implemented, and evaluated permanently through a consensus among companies, worker organizations, and, when appropriate, the workers themselves.

4. Strengthening Labor Relations

The new culture of quality and productivity demands a strengthening of labor-management relations in order to settle conflicts and channel their interaction within a climate of greater openness and objectivity that will foster cooperation and involvement at workplaces. This means accepting union organizations as legitimate coparticipants in the development of companies, while demanding of these organizations a shared responsibility in pursuing quality and productivity as a common goal for the improvement of workers and the development of the company itself. It means joining forces and making room for communication, involvement, and creativity in the labor sphere. Based on these premises we propose the following guidelines for action:

- At companies and/or workplaces, depending on the conditions and characteristics of each, develop new forms of dialogue that will enable all involved in the various areas of production to contribute their ideas and experience in objectively discussing and agreeing on quality and productivity programs.
- Promote the involvement of the workers and their organizations, together with management, in identifying those motivational tools that can foster initiative and creativity among the workers in the production process.
- Encourage within companies a greater role for the joint commissions and other labor groups made up of representatives of the workers and employers, inasmuch as they must not be limited to performing routine tasks but instead must analyze and propose solutions in the areas of training, safety and health, motivational programs for the workers, and company development programs.
- Acknowledge the right to training and involvement of the workers and their union organizations as an indispensable way of strengthening communication and dialogue between management, the workers, and their organizations, so that workplaces can maintain employment or create new jobs and improve the workers' sources of income in light of the requirements of greater competition, structural change, and technological advances.

5. Modernization and Technological Advancement, Research and Development

Research, development, and the application of technology to achieve optimum use of resources and enhance the quality of goods and services are an accepted element in seeking higher productivity.

The sectors and the government will promote, within the scope of their powers and responsibilities, the following guidelines for action arising from the National Development Plan and the National Program for Technological Development:

- Promote in concert the development of a technological culture in the country from basic education on up; encourage the efforts of companies to design, adapt, and establish competitive technologies; strengthen the services providing technology-related information, support, and advice; and promote the adoption of total-quality programs.

The signatory parties also pledge to:

- Promote at workplaces in both cities and the countryside, with the support of sector and government organizations, programs to pave the way for the introduction of technological changes that entail specific human-resources training and changes in work organization.
- Encourage, with the involvement of sector organizations, the development of programs that consider the requirements of human resources retraining and, when appropriate, a search for alternative job opportunities.
- Promote stronger ties between sector and government organizations and the international movements of quality and productivity.
- Promote the investment and channeling of company funds into ongoing programs and strategies for technological research and modernization.

6. A Macroeconomic and Social Environment Conducive to Productivity and Quality

Lastly, there are factors outside companies that must be present to create a setting conducive to productivity,

factors having to do with economic, sociocultural, and institutional considerations. In this regard, the government makes the following commitments:

- To promote, with the help of the productive sectors, a suitable macroeconomic environment that is conducive to price stability, the recovery of the workers' buying power in real terms, investment, growth, quality, and competitiveness.
- To institute a regulatory framework for economic activity that promotes quality, efficiency, and competitiveness in all branches of the economy.
- To meet the requirements of the economic and social infrastructure for development, with emphasis on education, technological research, and overcoming deficiencies in physical infrastructure.
- To promote efficiency and quality in public services.
- To foster a climate of confidence by establishing clear and generally applicable ground rules that will prevent a case-by-case approach and arbitrariness.
- To develop information systems that will facilitate decision-making and a systematic analysis of productivity.
- To emphasize its role in labor relations, in accordance with the requirements of modernization, by employing consensus-building among the forces of production to foster dialogue and respect for their organizations.

Final Considerations and Commitments

Productivity and quality cannot be imposed. They depend intrinsically on the will of all factors contributing to production and require a highly participatory approach. For this reason the specific goals and commitments in this area must be developed at the workplace itself as the outcome of a climate of dialogue and consensus-building.

Under the six guidelines for action set forth above, the sectors and the government seek to further an awareness of the economic changes that the country must make at the present time and of the responsibility that belongs to all in raising productivity and quality levels and in achieving sustained growth.

In this regard, the following accords are established in conclusion:

- The sectors and the Federal Government hereby resolve to join efforts to build a broad social movement for production that will lead to the creation of a new work culture in the country, by pursuing the necessary nationwide strategies and actions that through the mass media, seminars, technical events, and other information channels, will help to build momentum for raising productivity and quality.
- The employers pledge to promote among their intermediate organizations a program for technical support, incentives, and publicity concerning the specific actions that companies decide to take in pursuing the guidelines for action in this accord.
- The worker organizations resolve to introduce a plan of action to help make their rank and file broadly aware of changes and new methods of production, work organization, and competition in the various markets, as well as of the active role that the workers and labor organizations must play in this regard.
- The worker, campesino, and employer organizations also pledge to support human-resources training and development programs within production units, programs to enhance the working environment, and whatever programs are designed, depending on the particular characteristics and needs of each company, to motivate and encourage worker contributions to productivity and quality.
- At each company and/or workplace, labor and management agree to sign whatever specific programs they deem necessary within the following guidelines for action: modernization of the organizational structures of the production setting, among others, management, union, and governmental structures; the upgrading and development of management; emphasis on human resources; strengthening of labor relations; modernization and technological advancement and research and development; and a macroeconomic and social environment conducive to productivity and quality to promote their sustained enhancement.
- Through the tools at its disposal and the programs arising from the National Development Plan, the government will promote the conditions that will allow for the shaping of a macroeconomic environment conducive to a sustained rise in productivity and quality.
- The parties agree to establish a follow-up and evaluation committee for the obligations that they have taken on under this accord.

This accord has been signed at the Official Residence of Los Pinos on 25 May 1992.

Witness of Honor Licenciado Carlos Salinas de Gortari, Constitutional President of the United Mexican States

For the Federal Government: Lic. Arsenio Farrell Cubillas, secretary of labor and social security. Also signing were: Dr. Pedro Aspe Armella, secretary of finance and public credit; Dr. Jaime Serra Pucha, secretary of commerce and industrial development; Professor Carlos Hank Gonzalez, secretary of agriculture and water resources; Lic. Luis Donaldo Colosio Murrieta, secretary of social development; Dr. Ernesto Zedillo Ponce de Leon, secretary of public education; Lic. Fernando Gutierrez Barrios, secretary of the interior.

For labor: Lic. Ignacio Cuauhtemoc Paleta, president of the Labor Congress and secretary general of the Mexican Regional Labor Confederation, and Citizen Fidel Velazquez Sanchez, secretary general of the Confederation of Mexican Workers. Also signing were: Senator Alberto Juarez Blancas, secretary general of the Revolutionary Confederation of Workers and Peasants; Senator Lic. Carlos Jimenez Macias, secretary general of the

Trade Unions Federation of Government Workers; Citizen Gilberto Escalante Medina, secretary general of the Revolutionary Workers Confederation; Deputy Praxedis Frausto Esquivel, national secretary of the Trade Union of Railway Workers of the Mexican Republic; Deputy Napoleon Gomez Sada, secretary general of the National Trade Union of Miners, Metalworkers, and Related Workers of the Mexican Republic; Lic. Joaquin Gamboa Pascue, secretary general of the Federation of Federal District Workers; Citizen Jorge Sanchez Garcia, secretary general of the Mexican Trade Union of Electricians; Deputy Professor Sebastian Guzman Cabrera, secretary general of the Trade Union of Petroleum Workers of the Mexican Republic; Citizen Carlos Rivas Ramirez, secretary general of the General Confederation of Workers; Citizen Francisco Hernandez Juarez, secretary general of the Trade Union of Telephone Operators of the Mexican Republic; Professor Elba Esther Gordillo Morales, secretary general of the National Trade Union of Education Workers; Citizen Jose Garcia Soria Almaguer, secretary general of the Federation of Worker Groups of the Mexican Republic; Citizen Mario Suaerz Garcia, secretary general of the Revolutionary Confederation of Workers; Deputy Dr. Miguel Angel Saenz Garza, secretary general of the National Trade Union of Social Security Workers; Captain P.A. Celso Dominguez Galvez, secretary general of the Trade Union Association of Aviators; Architect Rafael Riva Palacio Pontones, secretary general of INFONAVIT [Institute of the National Fund for Workers Housing] workers; Deputy Engineer Julio Mendez Aleman, secretary general of the National Association of Actors; Lic. Arnulfo Mayorga Ortiz, secretary general of the Trade Union of Film Production Workers of the Mexican Republic; Citizen Rafael Solana Salcedo, secretary general of the National Federation of Theater Unions and Public Events; Lic. Arnulfo Mayorga Ortiz, secretary general of the Trade Union of Technical, Manual, and Related Workers at Film Production Studios and Laboratories of the Mexican Republic; Citizen Gustavo Estrada Urbina, secretary general of the "Martin Torres" National Confederation; Citizen Benjamin Lara Aguilar, secretary general of the Revolutionary Federation of Textile Workers; Lic. Jose Carlos Larios Macedo, secretary general of the Trade Union Association of Aviation Supercargos; Citizen Vicente Andrade Meza, secretary general of the National Federation of Cane Workers; Citizen Jesus Moreno Jimenez, secretary general of the Confederation of Workers and Peasants of the State of Mexico; Citizen Luis Hoyos Aguilar, secretary general of the Linotypographical Union of the Mexican Republic; Citizen Francisco Munguia Alejos, secretary general of the Alliance of Streetcar Operators of Mexico; Citizen Rogelio Reyes Nunez, secretary general of the National Trade Union of Workers in the Wool Industry and Related Branches; Citizen Alberto Serrano Serrano, secretary general of the Trade Union of Newspaper Publishers; Citizen Juana Consuelo Mendez Vazquez, secretary general of the Federation of Trade Unions of Workers in State and Municipal Government and State Decentralized Institutions of the Mexican Republic; Citizen Carlos Santa Ana Alvarez, secretary general of the National Trade Union of Press Writers and Workers in Related Activities; Lic. Agueda Galicia Jimenez, secretary general of the Federation of Trade Unions of Workers in State and Municipal Government; Engineer Hector Cuapio Ortiz, secretary general of the United Trade Union of Nuclear Industry Workers; Citizen Antonio Reyes, secretary general of the National Trade Union of FONACOT [Development and Guarantee Fund for Workers Consumption] Workers.

For the campesinos: Lic. Hugo Andres Araujo de la Torre, secretary general of the National Peasant Confederation. Also signing was Deputy Lic. Jesus Gonzalez Gortazar, president of the Regional Confederation of Small Agricultural, Livestock, and Forest Landholdings.

For the Employers: Lic. Nicolas Madahuar Camara, chairman of the Employers Coordinating Council. Also signing were: Public Accountant Ricardo Dajer Nahum, president of the Confederation of National Chambers of Commerce, Services, and Tourism; Public Accountant Jesus Cavallos Gomez, president of the Confederation of Chambers of Industry of the United Mexican States; Engineer Hector Larios Santillan, president of the Employers Confederation of the Mexican Republic; Citizen Javier Garza de la Cabada, chairman of the National Agricultural Council; Citizen Enrique Hernandez Pons, chairman of the Mexican Council of Businessmen; Lic. Jose Luis Llamosas Portilla, acting president of the Mexican Association of Insurance Institutions; Lic. Manuel Robleda Gonzalez de Castilla, president of the Mexican Association of Stock Brokerage Houses; Lic. Vicente Gutierrez Camposeco, president of the National Association of Manufacturers; Citizen Vicente Mayo Garcia, president of the National Chamber of Commerce of Mexico City.

Costa Rica

Spain Disburses Fund Assistance Donation

PA1606193092 San Jose LA REPUBLICA in Spanish 9 Jun 92 p 4a

[Text] On 8 June, Costa Rica and Spain formalized the third supply assistance fund, to which Spain donated 186.15 million colones.

The agreements were signed in the Gold Room at the Foreign Relations Ministry in the presence of Spanish Ambassador Juan Alfonso Ortiz, Costa Rican Foreign Relations Minister Bernd Niehaus, Planning Minister Carlos Vargas, and officials from both countries.

The fund, which was created in 1988 under the aegis of the basic cooperation agreement between both countries, has three basic goals: help the balance of payments, improve industrial equipment, and form a fund for social projects.

With this disbursement (the third since 1988) Spain has allotted about 660 million colones to acquire goods such as lathes, milling machines, turbos, coffee mills, sanders, ovens, and assembly machinery from Spanish manufacturers.

The fund is fed by monies paid to the Central Bank by businessmen, then the funds are channeled to social projects administered by the Spanish Embassy and the Foreign Relations and Planning Ministries.

Bernd Niehaus believes the Spanish Government's willingness raises hopes for Latin American countries and becomes an example of what international cooperation can accomplish.

Spanish Ambassador Juan Alfonso Ortiz gave assurances that Spain is willing to assist Costa Rica by financing projects that will strengthen economic democracy and create more proprietorships. He mentioned the importance of this mechanism as a element for development, both as relief for balance of payments, and as support to production and society's most impoverished sectors.

Engineer Jose Luis Pinto, coordinator for the Spanish Cooperation Agency, reported that until now 24 projects worth 90 million colones have been financed for activities such as agriculture, cattle raising, fishing, housing, and lithography, among others.

Polls Reveal Dissatisfaction in Political System

PA1706151392 San Jose LA NACION in Spanish 10 Jun 92 p 5A

[Report by Ronald Espinoza]

[Text] Corruption, the squandering that takes place during election periods, and lies are among the factors that make Costa Ricans feel dissatisfied over the way our political system works.

Only 45 percent of the people surveyed said they were happy with that system and its institutions, according to the latest national poll conducted by the Unimer Company at the request of LA NACION.

At the same time, 30 out of every 100 Costa Ricans feel satisfied with the system, whereas 15 percent said they have doubts about it. Ten percent of those queried chose not to respond or had no opinion. A total of 55 out of every 100 Costa Ricans had misgivings about expressing their views regarding the system in which they live.

The Unimer survey, the second one conducted this year, was held from 6 to 22 May and polled 1,200 Costa Rican adults from all over the country.

Prompted by the recent coup developments in Venezuela, Peru, and Haiti, Unimer pollsters for the first time asked the people about their views on our political system. The respondents were also asked to give their views on the public and private institutions that rule the destiny of the nation in different areas. Only six of these institutions received approval from over half of those surveyed.

These institutions are the news media, which came in first with a approval rating of 84 percent, followed by the Supreme Electoral Tribunal with 79 percent, and the Catholic Church with 78 percent.

The Comptroller General's Office came in fourth place with 62 percent, followed by the Judicial Branch and the Education System with 56 percent each.

The view that there is little confidence in the system is reinforced if one considers that over half the people surveyed have an unfavorable opinion of institutions essential for the functioning of the state, such as the executive branch, the Legislative Assembly, the political parties, and municipalities.

The Costa Rican Soccer Federation (Fedefutbol), which has seen the administrative and sports performance of its leaders highly questioned, holds the last place among the institutions.

There are three aspects Costa Ricans regard as the most valuable of our system: democracy, which got 29 percent of the affirmative answers; freedom and peace, which got 25 percent; and the right to vote and honest elections, which got 14 percent.

On the matter of the flaws and weaknesses of the political system, the diversity of views is greater. Of the 1,200 people surveyed, 10 out of every 100 replied corruption was the major problem.

Afterward, the respondents mentioned that squandering of money during electoral periods, and lies (7 percent each) are also problems. They also regarded as weaknesses the functioning of the Legislative Assembly, the fact only the wealthy can participate in the system, and disregard for the people's views.

As for the need to create a third strong political movement as an alternative to the two traditional parties (National Liberation Party and Social Christian Unity Party), 41 percent felt it was advisable, whereas 50 percent did not.

El Salvador

Supreme Court Not To Permit Extradition

PA1906041492 San Salvador LA PRENSA GRAFICA in Spanish 18 Jun 92 p 3

[Text] The Supreme Court "will not permit or tolerate" in any case the extradition of Salvadorans, Dr. Mauricio Gutierrez Castro, president of the supreme tribunal announced on 17 June.

"Citizens can rest fully assured that the Supreme Court magistrates will always comply with the oath they took when they took office: to fulfill and ensure fulfillment of the Constitution, which explicitly prohibits the extradition of Salvadorans," he said.

He stated this when asked by reporters about the position of the Salvadoran judicial branch on the U.S. Supreme Court ruling which, according to reports from Washington, authorizes its federal agents to kidnap persons in their countries of origin to be tried in the United States for crimes against U.S. citizens.

Asked what would happen if an attempt was made to take a Salvadoran by force to try him in another country, he responded that "the Armed Forces are duty bound to protect him, because in doing so they are protecting our institutionality, our sovereignty, and our laws," he said.

The president magistrate declined to say what the official stand was on the ruling, considering ethically that the court does not know for sure what the U.S. ruling stipulates. He said, nonetheless, that the Supreme Court will adhere to the constitutional provision that prohibits the extradition of nationals.

It will be up to the executive branch to state its position in the event a request is received from abroad for the extradition of a Salvadoran, the president of the court stated. He also explained that El Salvador has always demanded total respect by foreign governments for sentences made by our tribunals; consequently, it would be wrong to try to issue an opinion on the U.S. Supreme Court resolution.

State Communique on Callejas Tripartite Proposal

PA1806154892 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 17 Jun 92

[Text] The Foreign Affairs Ministry has reported that it has not received information on the alleged proposal made by Honduran President Rafael Callejas, involving the formation of a tripartite commission between the governments of El Salvador, Honduras, and the FMLN [Farabundo Marti National Liberation Front] to study the disputed border areas' social and political problems.

The Foreign Ministry communique states that any matter pertaining to the border, land, and maritime dispute falls under the respective government's exclusive authority; and the governments involved have repeatedly promised to fully comply with the ruling that will be issued by the International Court of Justice. The communique concludes that any progress on the border dispute is mere speculation. It adds that, given its importance, this issue deserves to be treated with responsibility.

FMLN Satisfied Over Peace Process Headway

PA1806214192 San Salvador Radio Cadena YSU in Spanish 1800 GMT 16 Jun 92

[Telephone report by Daniel Rivas]

[Text] On 16 June, Salvadoran guerrillas expressed satisfaction with the government's peace agreement breakthroughs over the past week. According to the rebels, the progress made will resolve the main stumbling blocks in peace agreement compliance. Commander Francisco Jovel, a member of the FMLN [Farabundo Marti National Liberation Front] general command, said at a 16 June news conference that the FMLN can feel satisfied because agreements have been reached to resolve matters, demilitarization in particular. Jovel said that following intense government negotiations mediated by the UN Observers for El Salvador—the ONUSAL mission—all sides agreed on a new timetable for compliance on various agreements, especially those having to do with the dismantling of FMLN military structures and the disbanding of the security corps.

Jovel confirmed what President Cristiani announced on 15 June that laws regulating the National Guard and Treasury Police will be repealed, and that the demobilization of the first 20 percent of FMLN fighters will take place on 1 July. According to the original peace agreement timetable, the FMLN should have demobilized the first 20 percent of its fighters—approximately 1,600 guerrillas—by 1 May.

Reform of National Guard and Treasury Police regulatory laws was approved two months ago by a Legislative Assembly right-wing faction, provoking a crisis in the peace process. The guerrillas warned that until this law was repealed they would not demobilize a single man. President Cristiani announced on 15 June that both security corps will be eliminated, in spite of the fact that a few days before he had emphasized his decision not to do so. [five-second break in reception]

[Begin FMLN's Salvador Samayoa recording, in progress] ...this has been the most important impediment to forming the Public Security Academy, and has also been resolved. Since the beginning of this peace process—since the agreements—it has been quite clear that there were certain sectors interested in placing obstacles to prevent the

National Police from becoming a truly civilian and democratic institution, with truly pluralistic participation. At this moment we feel that most difficulties with enrollment requirements have been satisfactorily resolved, thus, work on the Public Security Academy is scheduled to begin in the first half of July. This also guarantees a very real step toward democratization. [end recording]

In Samayoa's opinion, the government began the peace process with the intention of treating this point superficially, as a mere formality. According to the rebel leaders, the government also promised in the recent negotiations to speed the legalization process of the FMLN as a political party, and guarantee programs for the effective reinsertion of former FMLN fighters into civilian life. It was also agreed to verify, on site, the inventory of all farming properties granted by the FMLN. Samayoa explained that the new accords are an important boost to El Salvador's peace process.

Japan Donates Agricultural Development Funds

PA1806161192 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 17 Jun 92

[Text] The governments of El Salvador and Japan have signed a donation agreement for 400 million yen, approximately $3.5 thousand [as heard]. The donation is to be used for the Agricultural and Livestock Development Bank's program to increase basic grains production.

The Japanese donation consists of money for fertilizers, agricultural machinery, and chemicals. Japanese Charge d'Affaires Simpson Otimura said his country is prepared to continue providing economic assistance to El Salvador.

Guatemala

Serrano Says U.S. Ruling 'Unacceptable'

PA1906030592 Guatemala City EL GRAFICO in Spanish 18 Jun 92 p 3

[Text] "We protested on 17 June because we believe it was a juridical atrocity," President Jorge Serrano Elias told the media while commenting about the U.S. Supreme Court's decision to legalize kidnappings in any country.

The president added: "I think the United States would not like it if we were to send a squad to its territory to seize people. I do not believe this decision will stick because it is unacceptable."

Serrano announced that Foreign Minister Gonzalo Menendez Park will meet with U.S. Ambassador Thomas Stroock to discuss this issue.

The president said this decision is an outrage against the sovereignty of any country. He pointed out that certain members of the U.S. Supreme Court had the wisdom to cast dissenting votes and describe the decision as a true juridical atrocity as well.

As for a boycott announced by U.S. unionists against nontraditional Guatemalan products, President Serrano said he saw this coming because Guatemala has gained much ground in the area of production efficiency, and as soon as we have become more efficient, they want to punish us. This is what is happening, Serrano said. He added that this is a maneuver to block access for our products to nontraditional U.S. markets. Hence, we must defend our production because this move will hurt our people.

Serrano Urges URNG To Quit Armed Struggle

PA1906043292 Mexico City NOTIMEX in Spanish 0129 GMT 18 Jun 92

[Text] Guatemala City, 17 Jun (NOTIMEX)—Guatemalan President Jorge Serrano Elias in an unprecedented act on 17 June appealed to the guerrillas to quit the armed struggle, rejoin legal life, and become a political party.

The president appealed to the Guatemalan National Revolutionary Unity (URNG) to put aside its attitude, form a party, become legal, and continue their struggle "using ideas instead of bullets."

Guatemala, he said, is in the best position it has experienced in years and wants to achieve a just and balanced development within a climate of peace.

Serrano Elias asked the rebels "to forget negative aspects" and work positively to motivate the country, which needs schools, health centers, highways, and penetration roads.

He also asked the guerrillas to abstain from damaging the country's infrastructure, "because it is the people who must pay for that damage."

"Progress and security have been limited by terrorist acts, and it is time that Guatemala lives in peace," the president said in a speech to the nation.

He recalled that the rebels destroyed three bridges worth nearly $4 million. That same amount could have built almost 200 schools and some 100 health centers.

"There has been a lot of damage in Guatemala. Terrorist actions must stop for the welfare of the people," he stated.

Minister Fears Boycott May Affect Exporters

PA1806173192 Guatemala City EL GRAFICO in Spanish 16 Jun 92 p 6

[Report by Carlos Garcia Urrea]

[Text] Guatemala City, 16 Jun—Foreign Minister Gonzalo Menendez Park says that a commercial boycott such as the one certain U.S. labor unions are proposing to prevent the entry of Guatemalan products to the United States will do more harm to the exporters of nontraditional goods than it will to the government.

Menendez Park said that nontraditional exporters depend on this activity but a boycott could also hurt the country with regard to foreign exchange and, in general, terms of cooperation and investments.

Regarding the U.S. labor unions' charges, the foreign minister said that in Guatemala there are legal and administrative mechanisms through which to file reports or complaints regarding labor violations. One of them is the labor court. There are also several human rights organizations.

He said the current government has shown that every legal incident brought to its knowledge has been investigated and dealt with by the appropriate court.

The complaint in this case was filed by the Union of Exporters of Nontraditional Products, which reported that efforts against Guatemala are being conducted by U.S. labor organizations. Presidential Spokesman Fernando Muniz has described the union's charges as very serious.

President Serrano is due to return from Brazil on 16 June, at which time Guatemala will establish an official position on a case that is very delicate and could seriously affect Guatemala.

We hope this will not be the case, Muniz concluded, but Serrano will report the government's position when he returns.

Cooperation Established With Mexican Businessmen

PA1806041892 Guatemala City PRENSA LIBRE in Spanish 16 Jun 92 p 4

[Text] The Mexican Businessmen Council for International Affairs (CEMAI); the Guatemalan Coordinating Committee for Agriculture, Commercial, Financial, and Industrial Associations (CACIF); and the Guatemalan Business Chamber [Camara Empresarial] (Caem) signed a cooperation agreement to facilitate commercial operations between Mexico and Guatemala.

We feel that the formalization of a cooperation agreement as a framework to carry out joint actions to facilitate commercial operations between Mexico and Guatemala is very significant, Caem President Raul Monterroso said. With this agreement, we have created a framework for the private sector through which all the chambers and institutions in the Guatemalan and Mexican productive sector can complement their plans with business transactions and coinvestments in order to maintain the trade balance between both countries, he noted.

The agreement we have signed seeks to clarify the rules of the game, so that CEMAI on the Mexican side and CACIF and Caem on the Guatemalan side can cooperate with their respective governments. In that manner, good intentions will materialize with actions taken by authorities at the border and at other important locations where international trade is carried out, he added.

The signing of this agreement is the first step toward integration. We hope these treaties will lead to a worldwide process. By globalizing the economy, we will receive products from other countries, which in turn forces us to be more competitive. It will also give us the opportunity to offer our products on the international market, where we will try to win over consumers with our high quality products, he concluded.

Honduras

Supreme Court Comments on U.S. Court Ruling

PA1806213792 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 17 Jun 92

[Report by Francisco Valeriano]

[Text] International news dispatches have reported that the U.S. Supreme Court has granted almost extraordinary powers to its authorities so that DEA agents, or others, can go as far as kidnapping persons suspected of committing crimes against the United States. We consulted Orlando Lozano Martinez, president of the Honduran Supreme Court of Justice, on what he thought about this measure. This is what he said:

[Begin recording] [Lozano Martinez] I have an AP Washington dateline report to that effect. We are going to discuss the report in the next Supreme Court of Justice plenary session.

[Valeriano] Will any decisions be adopted? Mexico has denounced this ruling and pointed out that it is a violation of its sovereignty.

[Lozano Martinez] I repeat: We are going to discuss the report. If any foreigner commits a crime in our country, we will judge him according to Honduran law. If a Honduran citizen violates the law, we also judge him according to Honduran law. The Constitution of the Republic establishes that no Honduran can be extradited. In other words, our penal legislation is very clear.

We have the case of some Colombians who were captured with the help of radar in Trujillo, Colon Department. They are undergoing trial with full guarantees, as provided by the law.

In a Nacaome Valle court, some Panamanians were brought to trial; they were found guilty of narcotics trafficking. They were sentenced to 15 years in prison and a 1 million lempira fine. They are Panamanians, but they committed a crime and were judged according to the laws of this country.

[Valeriano] What happens when the DEA agents overstep their powers, arrest and even deport nationals?

[Lozano Martinez] Well, if any Honduran or foreign national commits an illegal act, that is what laws are for. Frequently, we process writs of habeas corpus when a

citizen alleges to the Supreme Court that there has been an illegal arrest. If that is the case, we issue a ruling.

[Valeriano] Is there a possibility that the U.S. Supreme Court ruling could be rejected?

[Lozano Martinez] You must understand that I said the Supreme Court of Justice plenary will discuss the contents of these reports, and the reason for the U.S. Supreme Court's ruling.

We are speaking on behalf of our courts and our penal laws. Foreign relations are directed by the president of the Republic. In the plenary session, we will discuss any strictly jurisdictional measure. [end recording]

Foreign Ministry Statement

PA1906045092 Tegucigalpa LA TRIBUNA in Spanish 18 Jun 92 p 3

[Statement issued by the Information and Press Directorate of the Foreign Ministry in Tegucigalpa on 17 June]

[Text] The Foreign Ministry, in view of the reports released by international press agencies on 15 June that the U.S. Supreme Court, in reviewing an extradition case, ruled that the United States could refrain from observing extradition treaties and bring citizens of other countries to trial in U.S. courts by force, states the following:

It is a conventional, generally accepted principle of international law that international treaties are commitments made by governments that must be observed in good faith so justice may prevail in mutual relations and so ties of friendship and cooperation may be strengthened.

It is likewise an international norm that no government may stop complying with its treaty obligations, justifying its actions with national norms or on administrative or judicial resolutions issued in the application of domestic law.

Moreover, by virtue of the fundamental principle of sovereignty, every government has the right to exercise criminal jurisdiction within its territorial boundaries without any further limitations than the ones established in international treaties regarding the creation of bilateral mechanisms of cooperation and judicial support that serve to guarantee fair trials for convicts as well as compliance with sentences established by law in case those convicts are found guilty.

[Issued] Tegucigalpa, 17 June 1992

[Signed] Information and Press Directorate of the Foreign Ministry of the Republic of Honduras

Callejas Discusses Ruling

PA1806194892 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 18 Jun 92

[Interview with President Rafael Leonardo Callejas by Jose Rolando Sarmiento; place and date not given—recorded]

[Text] [Sarmiento] How do you interpret the U.S. Supreme Court ruling?

[Callejas] I have read and heard the media reports. U.S. authorities have every right to make their own internal decisions, provided they occur within the framework of law as well as bilateral and multilateral treaties, and provided such decisions do not affect the interests of sovereign nations, such as Honduras. In Honduras, the enforcement of the law falls to the Supreme Court of Justice. We will act according to the juridical framework provided by the Constitution.

[Sarmiento] What is your reaction to this situation?

[Callejas] Because we are dealing with legal matters, I would say it is the president of the Supreme Court of Justice who should analyze the grounds for the U.S. Supreme Court decision, and determine whether or not it affects our country's interests. If the ruling deals with U.S. internal affairs only, then I am not in a position to comment on it.

[Sarmiento] Do you think the U.S. Supreme Court decision violates international law?

[Callejas] I could not say because I am not familiar with the subject. I would have to request an interpretation by the Honduran Supreme Court and then express an opinion. If this decision deals with U.S. internal affairs, I cannot discuss it.

[Sarmiento] Some governments and countries have objected to this ruling.

[Callejas] I would wait for the Honduran Supreme Court to make a pronouncement on this. It is up to the Honduran judicial system to analyze this issue from the vantage points of international and national law.

[Sarmiento] President Callejas, concerning your visit to Yoros Department to open a highway, what is the status of bilateral relations between Honduras and the United States? Will there be greater cooperation on this matter and the joint fight against drug trafficking?

[Callejas] There are a number of joint programs with the U.S. Armed Forces in this area. These programs, embodied in the Terencio Sierra Fuertes Caminos project, involve very direct cooperation. U.S. Navy personnel are working on a project at Islas de la Bahia. We are jointly fighting drug trafficking. There is also a military civic action program, based at the Soto Cano Air Base in Palmerola, Comayagua department. In sum, Honduras has very good military and diplomatic relations with the United States.

[Sarmiento] Back to this situation with the U.S. Supreme Court. What about the possibility of signing an extradition treaty?

[Callejas] Speaking for Honduras, I can say nothing else until I hear the opinion of the president of the Honduran Supreme Court. I think I should not say anything else until

I hear his viewpoint. You should discuss the matter with the Supreme Court president because it is up to the judicial branch to make a pronouncement. Once he has a specific viewpoint, and I hear about it, then I will proceed in accordance with the best interests of the country.

Correction to FMLN Leaders Meet With Callejas

PA1906033792

The following correction pertains to the item headlined "Callejas Meets With FMLN Representatives," published in the 16 June Latin America DAILY REPORT, page 17:

Column one, make sourceline read: San Pedro Sula TIEMPO in Spanish 13 Jun 92 p 9 (correcting date, page of source).

Nicaragua

Minister Leal on U.S. Supreme Court Ruling

PA1906003492 Managua Sistema Nacional de Television Network in Spanish 0100 GMT 18 Jun 92

[Excerpts] The Nicaraguan Government does not accept the U.S. Supreme Court ruling that permits the kidnapping of criminals in other countries. Foreign Minister Ernesto Leal said the ruling violates the most basic international laws. [passage omitted]

[Begin Leal recording] We feel that the ruling from the U.S. Supreme Court sets a very serious precedent. For Nicaragua, it is totally unacceptable. The resolution is totally unacceptable because it disregards the most basic principle of international law: Respect for sovereignty. It also sets a precedent of extraterritoriality which Nicaragua does not accept. No Nicaraguan will be extradited to another country from Nicaraguan territory. [end recording]

The foreign minister clarified that there are two agreements with the United States, but they concern only persons from third countries. Leal mentioned the cases of two Nicaraguan citizens, Gadea Morales and Luis Zeledon, who were arrested in the United States. Zeledon was arrested by the police in Los Angeles and later showed up dead.

[Begin Leal recording] Our consul in Los Angeles immediately demanded an explanation from the Los Angeles Police. A report will be submitted to us that we will deliver to his relatives to see if they find the explanation satisfactory. We have asked the U.S. Government in a verbal message to certify Gadea's entrance through border posts [words indistinct] in the investigation process. [end recording] [passage omitted]

Chamorro Signs Decrees on Foreign Investments

PA1906041292 Managua Sistema Nacional de Television Network in Spanish 0100 GMT 18 Jun 92

[Text] On 17 June President Violeta Barrios de Chamorro signed the decrees regulating foreign investments and the industrial free zone. She also announced that the government will expand the industrial free zone at a cost of $7 million. President Chamorro signed the document during a visit to the Economy Ministry.

Among other things, the decrees regulate tax exemptions, during a specific period, for foreign companies investing in Nicaragua. Economy Minister Julio Cardenas said a Foreign Investment Committee will be created soon.

[Begin Cardenas recording] Under these customs regulations, the necessary raw material can be brought to the country. Nicaragua will contribute with Nicaraguan manpower to produce exports. [end recording]

President Chamorro said the expansion of the free zone will result in the employment of 1,000 workers. She said the Government Ministry will deliver to the Economy Ministry the building currently used by the Penitentiary System, known as Free Zone.

[Begin Chamorro recording] At this time there are more than 1,000 persons from seven private and foreign companies working there. It is really wonderful to see that where there was once a jail, there will now be industries, and those industries will create jobs for so many unemployed people. We will conduct a big campaign so that Nicaraguans and foreigners will know that there are many places in the Free Zone where they can install factories and from where they can export their products. [end recording]

Workers Refuse To Return Enterprise to Owner

PA1806014092 Managua BARRICADA in Spanish 16 Jun 92 pp 1, 7

[Report by David Gutierrez Lopez]

[Text] Approximately 80 employees of the state enterprise International Transports, Incorporated [Transportes Internacionales Sociedad Anonomia—TISA], which is run by the Nicaraguan Institute of Energy [INE], have taken over the enterprise to oppose its return to Somozist Maximiliano Vargas Largaespada.

The workers are closely watching developments at the plant, but they have not stopped working. They are keeping 50 cabs and over 80 pieces of cargo equipment owned by TISA.

Former Vargas Transportation Company owner Vargas Largaespada, whom the workers accuse of having held the honorary rank of captain in Somoza's National Guard, had his property confiscated in 1979. He

returned last year to the country to claim his property, based on his U.S. citizenship.

"We are not going to hand over anything to a Somozist," the workers stated. "We are demanding recognition for our investment of over $1 million, made over the course of 10 years of work," Henry Hernandez, leader of the Oil Workers Federation (Fetap) stated.

Fetap is made up of workers unions from TISA, Enigas [expansion unknown], Nicaraguan Petroleum Enterprise [Petronic], and Lubnica [expansion unknown], enterprises that distribute oil derivatives falling within INE's control.

The walls of the TISA enterprise, located behind the Lenin Fonseca Hospital west of Managua, were scribbled with slogans accusing Petronic Director Ricardo Melendez of "selling out," and Maximo Vargas Largaespada of being a "Somozist."

Melendez said the government made the decision to return TISA, and it should have been done on 15 June. The workers refused to hand it over, saying that they "have not received any order to return it, and Presidency Minister Antonio Lacayo said properties must not be returned to Somozists," Hernandez affirmed.

TISA Manager Eduardo Fonseca told BARRICADA he had received an "unwritten order" from Melendez to return the enterprise to Maximiliano Vargas Largaespada, "but workers refused to do so."

Melendez read a letter (papers) signed by former Attorney General Duilio Baltodano that "voids the confiscation order" against Mr. Vargas Largaespada on 25 October 1991. During a heated discussion, union leaders rebuked Melendez for negotiating with Vargas Largaespada for over a year "unbeknownst to the workers".

According to the workers, the former owner was "hidden" in some office in Petronic's four-story building waiting for the results of the talks.

Gerardo Gonzalez, lawyer for the TISA workers, denied the legality of the Attorney General's Office "papers" and proposed that a tripartite commission be set up comprising INE, Vargas Largaespada, and the workers. He also asked for one month to make the necessary financial analysis and reach a satisfactory agreement.

"We are demanding $1.249 million, which includes the workers' investment over the past 10 years, services, and free labor performed at the enterprise," the lawyer noted.

Panama

Minister Issues Statement on 11 Jun Incidents

PA1806215892 Panama City Cadena Exitosa in Spanish 2038 GMT 18 Jun 92

[Statement by Government and Justice Minister Juan Chevalier at the Government and Justice Ministry in Panama City on 18 June—live or recorded; broadcast in progress]

[Text] ...it was determined that the demonstrators had a microbus on the street. The bus was supposed to go from El Casino—I think Radio Mia is on that street—[words indistinct] drive down Peru Avenue in the opposite direction of traffic and at high speed to help break the barrier. However, once the police discovered this, the demonstrators fled.

In view of the situation, the policemen who were in that sector were forced to use tear gas to disperse the violent demonstrators. They were not the usual demonstrators, such as those we see during marches organized by teachers, doctors, or people who come from Veraguas or other provinces. They were trained people [word indistinct] former Dignity Battalions, accompanied by some former members of the Defense Forces, who also know how to do things, such as repress the people. You should remember that.

I must stress the fact that from the moment the first tear gas canister was hurled by the demonstrators [as heard], the die was cast. Later it was said that there was an excessive use of tear gas in the area, particularly on Central Avenue. We believe this is a very subjective conclusion, as it does not take into consideration that these incidents attract thugs who always try to take advantage of the situation. It was necessary to act quickly to disperse the demonstrators in order to protect businesses in the area from being looted. The demonstrators were chased up to the area of San Miguel, Cabo Verde, and some up to Curundu.

Many people wonder why the group of demonstrators opposed to the meeting in Plaza Porras were allowed to get close to the site. That is a key question. Instructions had been given to prevent this. However, it must be noted that the U.S. delegation that was protecting the U.S. President did not want gun fire of any kind in the surrounding areas. They did not want bombs, birdshot, or anything that sounded like gun fire. They said that if the demonstrators acted peacefully there would be no problem with them demonstrating. That is customary in the United States.

Regardless of whether there was naivete on the part of the visitors, the National Police admitted that the chief of operations at the site failed to act with the vigor and determination that the circumstances warranted because the demonstrators were not far away enough from the area, nor were certain unruly people arrested on time in the immediate vicinity.

We have conducted an exhaustive investigation in the past few days along with all those who participated in actions in the area because not only the police were involved. The Institutional Protection Service and the Judicial Technical Police were involved along with the Secret Service of the U.S. President.

From our meetings, we learned that the person in charge of police operations and coordination in the area of Plaza Porras, admitted his failure to make the appropriate decisions on time. Thus, he is being removed from the post of chief of the Information Directorate [passage indistinct] and arrest. This is very severe punishment for a career officer.

There are also disciplinary actions [passage indistinct] being taken against subordinate officers whose attitude was not the most appropriate at that time. In fact, we decided to dismiss a policeman who was on vacation, but was identified among the demonstrators.

The fact that demonstrators were allowed near the area in a show of excessive freedom and the failure to think that tear gas could be used led us to make many general considerations.

We can mention arrests, for example. It should not be said later in court that there is not enough evidence or that we did not coordinate legal actions with the Attorney General's Office or the Mayor's Office. We sometimes think this can be proven easily because it is shown on television or the people can see it out on the streets, but apparently this is not always enough evidence. Someone told me it is not enough to know someone is a thief; you have to prove he is a thief.

The vulnerability of the site also has been questioned. I believe the vulnerability of the place was obvious to everyone, but it was not up to the Government Ministry or the National Police to decide to hold the event there. That was not up to us, but I must say very clearly that for those of us who have conducted the investigation, there is absolutely no evidence of any violation or of any conspiracy with the Democratic Revolutionary Party and its Dignity Battalion members [paramilitary group under the Noriega regime]. There is no evidence of that.

Police Chief Dismissed

PA1806211992 Panama City Circuito RPC Radio in Spanish 2040 GMT 18 Jun 92

[Text] Juan Chevalier, government and justice minister, announced during a news conference a few minutes ago the dismissal of Major Miguel Nieto as chief of operations of the National Police and ordered his immediate arrest upon confirming his responsibility in the acts of violence that occurred on 11 June during the visit by U.S. President George Bush.

Additional Officers 'Separated'

PA1806215192 Panama City Circuito RPC Radio in Spanish 2057 GMT 18 Jun 92

[Interview with Police Director Oswaldo Fernandez by unidentified reporters; place and date not given—recorded; broadcast in progress]

[Text] [Fernandez] ....Major Miguel Nieto, Maj. Ricardo Guardia, Captain Javier Licona, Lieutenant Edgardo Capon, and policeman Islander Morales, who was seen throwing stones at the police.

[Unidentified reporter] It is said that the police chief will be retired. Is that true?

[Fernandez] That is up to the president and the government minister to say, and the minister has just denied that report.

[Reporter] Is your post also at risk, Mr. Director?

[Fernandez] The president and the government minister are the ones who appoint or dismiss the members of the National Police. I think there are many things that are unsaid and only rumored.

[Reporter] The officials who have been dismissed from their posts—were they in Plaza Porras the day of the incidents?

[Fernandez] They were responsible for the incidents.

[Reporter] When were they separated from their posts?

[Fernandez] From the moment the minister announced their separation.

[Reporter] How long will they be separated from their posts? What does separation mean—does it mean their dismissal?

[Fernandez] Separation means they are removed from their post in the National Police, it does not mean they are dismissed. According to Police regulations, it provides for their arrest and admonition. In this case their arrest is being ordered. It will be up to the president and government minister to apply these regulations.

[Announcer] We repeat, dear listeners of RPC Radio, Major Miguel Nieto, Maj. Ricardo Guardia, Captain Javier Licona, Lieutenant Edgardo Falcon, and policeman Islander Morales have been separated from their posts temporarily, while the police authorities and Government and Justice Ministry expedite their investigations on their surveillance during the 11 June incidents at the Plaza Porras during President George Bush's visit to our country.

Linares Wants Explanation of Vehicles' Presence

PA1806221992 Panama City LA PRENSA in Spanish 18 Jun 92 p 48A

[Report by Luis A Dudley Porras]

[Text] Major Lucius D'Angelo, spokesman for the U.S. Southern Command, disclosed to LA PRENSA that "Hummer" military vehicles, which were parked near the Marriott Hotel and were guarded by armed military personnel, were used to transport a musical group to the U.S. military bases, where they were to put on a performance.

The U.S. major explained that the musicians arrived in Panama on 15 or 16 June and had brought their instruments, which were being transported by the "Hummer" to the military bases located on the banks of the interoceanic canal.

However, when consulted about the same incident, U.S. Southern Command Spokesman Bill Ormsbee stated the following to LA PRENSA: "I would like to know what those 'Hummers' where doing near the hotel, but I do not know".

Early on 16 June, the U.S. military vehicles were parked along the streets beside the hotel, and the soldiers and military police traveling in the vehicles were dressed in combat fatigues. When reporters attempted to get close to the vehicles to inquire about their presence in an area not under military control, the soldiers shouted at the reporters to "get away."

Foreign Minister Julio Linares described the presence of the "Hummers" in the area near the hotel as a violation of Panamanian sovereignty and requested an explanation from U.S. Ambassador Deane Hinton who promised to investigate..

Suspect in U.S. Soldier Murder Case Arrested

PA1806215492 Panama City ACAN in Spanish 2031 GMT 18 Jun 92

[Text] Panama City, 18 Jun (ACAN-EFE)— Official sources reported on 18 June that the Panamanian Judicial Technical Police captured one of the alleged perpetrators of the attack that killed a U.S. soldier on 10 June.

When asked about the investigations into the attack that took place just before the arrival of U.S. President George Bush on a visit to Panama, a spokesperson told ACAN-EFE that the suspect, who was not identified, is "under investigation."

Zak A. Hernandez, a 22 year-old U.S. soldier, died in the machine gun attack; his comrade in arms Roland Marshall, also 22, was seriously wounded.

The U.S. Southern Command, with its headquarters and about 10,000 soldiers stationed in Panama, repeated its offer of a $5,000 reward to whomever can help locate the perpetrators of the attack.

The U.S. military command also reinforced security measures at its military installations after the attack, which took place about 50 km north of Panama City, in the town of Chilibre.

Two days before the incident, unknown persons fired at the entrance gate of Albrook Air Station, close to the capital, claiming no victims.

The M-20 [20 December Movement], an anti-American armed movement which takes its name from the 20 December invasion of Panama by U.S. troops, claimed responsibility for this first attack.

As of yet, no group has claimed responsibility for the attack in which Zak A. Hernandez was killed.

Opposition Members Sought

PA1906021892 Paris AFP in Spanish 0131 GMT 19 Jun 92

[Text] Panama City, 18 Jun (AFP)—Five Panamanian opposition members, including Pedro Miguel Gonzalez, son of Gerardo Gonzalez, president of the opposition Democratic Revolutionary Party (PRD), are among suspects in the killing of a U.S. soldier last week, the Judicial Technical Police (PTJ) reported on 18 June.

In a document released to reporters, along with several photographs, the PTJ noted the following as presumably responsible for the killing of soldier Zak Hernandez: Roberto Garrido (linked in the past to the Colombian M-19 [19 April Movement] guerrillas), Julio Cesar Alvarado, Ruben Arturo Villarreal, and Daniel Batista. They are all alleged members of the subversive M-20 [20 December Movement] group.

The M-20 claimed credit for two attacks against a U.S. airbase and for the throwing of a bomb, which did not explode, at a military fuel depot to protest the visit made by U.S. President George Bush last week.

The PTJ announced the report two days after eight U.S. soldiers and two Panamanian policemen raided the home of Gerardo Gonzalez, who is a deputy.

The U.S. Army South based in Panama has offered a $5,000 reward for information leading to the capture of the five opposition members.

U.S. Soldiers' Participation in Search 'Refuted'

PA1906012192 Panama City EL PANAMA AMERICA in Spanish 18 Jun 92 p 1A

[Report by Orlando Mendieta C. and Carlos Vargas]

[Text] Judicial Technical Police [PTJ] Director Jaime Abad and Assistant Prosecutor Heraclio Sanjur on 17 June denied statements made by Foreign Minister Julio Linares who said U.S. soldiers participated in the search of Legislator Gerardo Gonzalez' home. During a news conference, a visibly annoyed Abad said that no U.S. citizen was invited or participated in the operation carried out at the home of the president of the Democratic Revolutionary Party (PRD). The PTJ director regretted the statements made by the foreign minister and added that "the PTJ is responsible when it makes statements." Likewise, Abad refuted the

statement made by opposition Legislator Gonzalez following the search of his home. Abad described Gonzalez' words as "rash" [alegres].

Linares had said that a U.S. Embassy official had informed a Panamanian Foreign Ministry Official that the participation of U.S. soldiers in the search was the result of an invitation from the PTJ because it was going to investigate something of interest to the United States. When describing the action, the foreign minister said it had been a rash move on the part of the PTJ and that the PTJ should be more careful when it makes invitations. Linares also said he disagrees with the participation of the U.S. soldiers in the search.

According to Abad, only seven members of the institution participated in the search. Abad also claimed that the seven persons were insulted and were verbally and physically attacked by Legislator Gonzalez. In addition, Abad has challenged the Gonzalez family to identify all the detectives who participated in the search since all of them are Panamanians.

Abad added that his officials were patient and behaved as gentlemen. They waited for 40 minutes before entering the opposition legislator's house. Abad said the law of parliamentary immunity does not shield a legislator's property or members of his family.

Abad refused to explain the reasons for the search, stating that it is a serious and delicate matter that is still under investigation. However, when describing the effectiveness of the search, Abad said it had been 40 percent effective.

The PTJ director said he is willing to subject himself to the investigation of the ad hoc committee appointed by the Legislative Assembly to study the case. He added that he will contribute to their investigations by reconstructing the incidents.

Meanwhile, Assistant Prosecutor Sanjur said the foreign minister's words tend to give in to a campaign launched by the leftist sector of the country that continues to hold a grudge and has ties to the tyranny directed by "the prisoner in Miami" (in reference to overthrown General Manuel Antonio Noriega).

Meanwhile, the ad hoc committee of the Legislative Assembly has decided to summon Attorney General Rogelio Cruz; Assistant Prosecutor Heraclio Sanjur; and Antonio Maza, the district attorney's secretary, to appear before the committee on 22 June to clarify the events surrounding the search of Gonzalez' home. The ad hoc committee has been given seven days to present a report on its findings. The members of the committee are legislators Arnulfo Escalona, Alfredo Ehlers, Raul Ossa, Librado Montenegro, Gilmer Gonzalez, and Edilberto Culiolis.

New Party Issues Resolution on 11 Jun Events

PA1806222292 Panama City EL SIGLO in Spanish 18 Jun 92 p 33

[Resolution issued by the National Unity Mission in Panama City, date not given]

[Text] Resolution 1-92

Whereas:

U.S. President George Bush visited our country on a five-hour technical stopover;

A group of Panamanians came to Plaza Porras to publicly protest the visit;

Owing to as of yet unexplained reasons, the event almost turned into a tragedy;

President Bush deserved the corresponding protocol treatment because of his high investiture;

The wounds of the invasion of our country are still open, making a rally at Plaza Porras an unwise and regrettable event;

The National Unity Mission resolves:

1. To regret the deplorable incidents that took place on 11 June 1992 at Plaza Porras, which imperiled the lives of children and citizens in general;

2. To urge that, in the future, when the national government organizes public events such as the one mentioned, it not forget the invasion was a historical event that brought mourning, sorrow, and severe damage to the properties of a considerable segment of the Panamanian people;

3. To recommend that any similar public event be held with a little prudence. The government must keep in mind the interests of all people in every one of its actions; nobody can govern for just one group;

4. To reiterate our conviction that a national consensus is the only way we, as Panamanians, can resolve our internal problems with wisdom, unity, mutual respect, and faith in God.

[Signed] Secretary General Rolando Santamaria
President Jose M. Paredes

Columnist Views Presence of Cuban Agents

PA1906003192 Panama City EL PANAMA AMERICA in Spanish 18 Jun 92 p 6A

[By Juan Carlos Galesio Navarro]

[Text] The presence in Panama of a narcoterrorist gang of the Castroite government is becoming more obvious every day. In our article, "Programmed Terrorism," we said the Panamanian Government is insisting on not breaking relations with Castroite Cuba. This is probably

because of the pressure it receives from influential businessmen who receive financial benefits from commercial transactions with Cuba. We also said the only hope now is for the clandestine activities and operations carried out by Cuban agents—who act as businessmen and lead the country to a wave of terrorist attacks—to be quickly put under control. Recent attacks against U.S. objectives—attacks for which a terrorist band known as the M-20 has claimed credit—as well as the planned and shameful riot in Plaza Porras during the visit of President Bush, have created a negative image for the republic and its government.

During the years the Castroite government has maintained diplomatic relations with Panama, the Cuban Government has infiltrated dozens of professionals, politicians, soldiers, and unionists who either studied in communist Cuba or traveled there because of friendship or affinity with the Marxist regime on the island. Some of these people, thanks to democratic complacency, have acquired jobs in the Panamanian Government and in the Legislative Assembly.

Following the U.S. invasion of Panama, the Castroite presence was not reduced. It just changed its facade and maintained its intelligence personnel, disguised now as businessmen, who help their cause by providing an umbilical cord that brings economic oxygen to Cuba and allows for money laundering through transactions in the Colon Free Zone. These same people study U.S. objectives and the movements of U.S. troops along the Panama Canal. They also advise their followers about these U.S. objectives.

No one can say for sure that in the hypothetical case of a U.S. invasion of Cuba, or of U.S. intervention in the struggle against narcoterrorists in Latin America, that these Cuban commandos will not attack Southern Command installations in Panama, or worse yet, attack the Panama Canal itself.

In recent months, the M-20 ideologue, Juan Mackenzie, escaped from Judiciary Technical Police installations in Panama and a Cuban commando group took him to Cuba. Former officers of the extinct Defense Forces of Panama—such as the notorious Chalo Gonzalez—have also been taken to Havana. In Gonzalez' case, this violated the asylum given to him by Peru.

Jorge Puente Blanco, a high-ranking member of Cuba's intelligence who is linked to a special Fidel Castro group and is a member of Cuba's America Department, was in Panama during the second half of May. Coincidentally, certain events took place at the same time in Panama. Puente Blanco has Panamanian and Cuban nationality. His Panamanian citizenship allows him to freely enter the country and move about. He served as a Cuban adviser at the side of the Sandinists. While serving in this capacity, he was injured by a grenade. He lives in Cuba with the former wife of Cuban Foreign Minister Isidoro Malmierca. He lives on First Street, in Malecon apartment, in Havana's El Vedado neighborhood. In Panama, he registered a business known as Mercados Joran S.A., Post Office Box 4951, Zone 5, as a facade.

The most important Castroite agent in Panama is Victor Vizquerra, a man who is trusted by Fidel Castro and who forms part of a special Fidel Castro group. He represents Cuba's largest commercial and financial corporation, Cimex, which has offices on the 23rd floor of the Banco Exterior building. Vizquerra lives in the Marbella suburb, in Duplex No. 6, on 5B Street.

There is also Lieutenant Colonel Trelles of the Cuban Interior Ministry. He lives with his Cuban consort in the Embajador Building on 50th Street, in Apartment No 10. He is in Panama acting as a businessman who wants to set up a factory for chemical products to fight fires. It is very possible that another high-ranking officer, Colonel Nelson Valdes, is in Panama with Trelles. To these names we can add Jose Manuel Rodriguez (aliases El Gallego and El Tabacon), who is Cuba's commercial liaison in the Colon Free Zone and who is an Interior Ministry intelligence officer. He lives in a condominium on Via Argentina. In Cuba he was deputy director of Servidipio Enterprise, a branch of Cubalse. From there he was transferred to Angola where he managed Cubalse's storehouses. He returned to Cuba and from there he was sent to Guyana. After returning to Cuba again, he was transferred to Panama where he now lives.

Another intelligence officer who comes to Panama often under a business facade is Tania Charasardin, whose nom de guerre is Maritza. She represents ABATUR (Tourist Supplies). She is the wife of a Castroite counterintelligence officer. She was recently in the Free Zone making purchases for ABATUR.

To these business facades we can add enterprises operating from Panama, such as Servinaves, which manages the cargo containers going to Cuba and loaded on Cuban ships, such as Aura and La Estrella. There is also Cubana de Aviacion airlines which complements a long list of enterprises that give the Castroites a good legal facade.

Businessmen doing business with Cuba believe that commerce and politics are two different things, but for the Havana regime the only difference is the different names. For the regime, the only objective is terrorism. The enterprises the Castro regime has created and continues to create serve as a link for commercial transactions with countries under embargoes, such as like Iraq, and as intermediaries for the purchase of articles for terrorist operations.

The Cuban activities are turning businessmen from various parts of the world not only into beneficiaries but also into contributors to the cause of international terrorism, money laundering, and embargo violations.

Cuba has created a bank called International Finance Bank through which it carries out its fraudulent operations, including money laundering. The Panamanian branch of this bank is the Bank of Bilbao. This bank is a cover up for the National Bank of Cuba.

According to reliable sources, the U.S. Government is evaluating the possibility of carrying out joint actions with Panama to disband the growing leftist groups that have Castroite advisers.

Argentina

Menem, Costa Rica's Calderon Sign Declaration

PY1806234192 Buenos Aires TELAM in Spanish 2209 GMT 18 Jun 92

[Text] Buenos Aires, 18 Jun (TELAM)—Argentine President Carlos Menem and Costa Rican President Rafael Calderon Fournier categorically condemned today "all forms of violence and terrorism." They also ratified their commitment to consolidate democracy and respect for human rights in Latin America, and to progress toward the consolidation of bilateral technical agreements.

Today in the White Hall of government house, the two presidents signed a joint declaration which was the culmination of the official visit to Argentina by the Costa Rican president, who arrived here yesterday.

Calderon arrived in Argentina with his wife Gloria Bejarano. They met with Menem and paid a protocol visit to the Supreme Court and the National Congress.

The meeting in Government House was attended by Argentine Foreign Minister Guido Di Tella, his Costa Rican counterpart Bernd Niehaus Quesada, Costa Rican Foreign Trade Minister Roberto Rojas Lopez, and Natural Resources Minister Hernan Bravo Trejos.

In the joint declaration, the two countries endorsed the purposes and principles of the UN and OAS Charters" and expressed their commitment "to consolidate the democratic institutions in Latin America." [quotation marks as received]

Menem and Calderon stressed in the document their "most categorical condemnation of all forms of violence and terrorism since they attack the validity of democracy, its institutions, and the state of law."

They emphatically condemned the serious attack on the Israeli Embassy in Buenos Aires on 17 March.

The presidents observed "with pleasure the strengthened role of the United Nations following the end of the cold war" and added that the international policy of their countries is based "on the defense, promotion, and preservation of human rights and basic liberties."

In the bilateral field, the two chiefs of state agreed to develop technical cooperation projects and expressed their satisfaction at the development of their respective projects for economic reform and trade opening.

The presidents expressed their interest in intensifying economic and trade relations, and urged delegations from the two countries to soon meet to evaluate existing trade agreements and instruments.

Menem and Calderon also stressed the importance of the agreements reached in the UN Conference on the Environment and Development recently held in Rio de Janeiro, and expressed their confidence that these agreements will help "to stop the deterioration of the environment and to establish a basis to ensure the preservation of the natural resources."

The two presidents expressed their conviction that "the stability of the countries of the region is closely linked to their social and economic development, adding that the developed countries must play an important role in achieving this goal."

They expressed their trust that "the philosophy that inspires the Americas Initiative of U.S. President George Bush will generate efficient and realistic projects."

Argentina and Costa Rica also signed an agreement on mutual assistance against drug trafficking, another on the development of the peaceful use of nuclear energy, and a third on cooperation between the "Manuel Peralta" Diplomatic Academy of Costa Rica and the Argentine Foreign Ministry.

Menem Meets European, Mideast, Asian Officials

PY1806024792 Buenos Aires BUENOS AIRES HERALD in English 17 Jun 92 p 13

[Text] (DYN-NA)—President Carlos Menem met his Bulgarian counterpart Zhelyu Zhelev yesterday, during a day when he also met with Tunisian Foreign Minister Habib Ben Yahya, Saudi Arabian [Petroleum and Mineral Resources] Minister Hisham Nazir, and South Korean Prime Minister Chon Won-sik, with whom he signed a wide array of accords as he continued to meet top-line international visitors.

Menem met Zhelev at Olivos presidential residence, accompanied by Foreign Minister Guido Di Tella and his Bulgarian colleague Stoyan Ganev.

During the talks with the Bulgarian head of state, who visited Congress and met with Supreme Court members, Menem announced he may visit Bulgaria in the near future.

Meanwhile, during talks with Korean Prime Minister Chon Won-sik, Provisional Senate President Eduardo Menem suggested that Korean boats should request Argentine licences and not British ones to fish off the Malvinas Islands.

After holding talks and having lunch with the President and laying a wreath at the General San Martin monument, Chon visited Congress.

Foreign Minister Receives Tunisian Counterpart

LD1906093892 Tunis Tunisian Republic Radio Network in Arabic 1300 GMT 18 Jun 92

[Text] The foreign minister continues his official visit to Argentina. He held talks yesterday with his Argentinian counterpart, Guido di Tella, on a number of current international and regional issues of mutual interest and also issues to ensure the rectification of the trade balance

between the two countries due to the chronic deficit of that balance at the expense of Tunisia.

Habib Ben Yahya and Guido di Tella, at the conclusion of their working session which they co-chaired, signed an agreement on the encouragement of investments. The two sides also agreed to continue dialogue with the aim of concluding an agreement concerning the abolishing of visas between the two countries which will be positively reflected on the pattern of exchanges and the movement of people between the two countries, and complement the legal framework of the bilateral relations between them.

Menem Speaks on Teachers' Wages, Pension Reform

PY1806024292 Buenos Aires BUENOS AIRES HERALD in English 17 Jun 92 p 1

[Text] (NA-DYN)—President Carlos Menem last night announced in a nationwide broadcast that national school teachers would be progressively awarded wage parity with their provincial and municipal colleagues as from July 1.

The transfer of schools to the provinces logically demanded this step, he said. Menem added that he would be sending a bill to Congress to confer full teacher status on educators at all levels.

The President further said that in future all the teachers' representatives on the OSPLAD [expansion unknown] social welfare fund would be directly elected by secret ballot.

Finally, he said there would be pay increases for university lecturers and a "transformation" of university education, stressing that there is a "political decision to substantially increase the investment in education." Although Menem said the pay increase would be "important," at no point did he place a figure on the raise.

Menem's speech coincided with the first day of a 48-hour teachers' strike by SUTEN [Sole Trade Union of National Education Workers] union, the second such stoppage in the last two weeks. Union leaders last night said the strike would go ahead despite the presidential speech.

The President also used the occasion to exhort Congress to approve the pension reform bill and the privatization of YPF [Government Oil Deposits] so that pensioners can receive a retirement benefit equivalent to 82 percent of their last salary.

Menem argued that the pensioners had the right to expect a solution, saying that they were the victims of "mendacious and clumsy" policies of the past as well as a "generalized corruption." But pension reform and YPF privatization would permit recapitalization, he said.

In a related development, Economy Minister Domingo Cavallo confirmed yesterday that pensioners and state employees would be receiving their aguinaldo midyear bonuses between July 3 and 12, thus denying rumours that these payments would be advanced to before the June 28 senatorial elections.

* YPF President Discusses Privatization

92SM0424A Buenos Aires AMBITO FINANCIERO in Spanish 13 May 92 p 6

[Interview with the president of Government Oil Deposits, Jose Estenssoro, by unidentified reporter on 12 May; place not given: "YPF May Be Privatized 100 Percent"]

[Text] "We eventually want to have the same market value as Texaco, and we can do it because we have a very similar level of reserves," YPF [Government Oil Deposits] President Jose Estenssoro told this newspaper in an interview yesterday. Although this may not be a realistic goal for several reasons, among others because the Argentine company's reserves contain more gas than oil, the fact is that for now, the plan to privatize YPF by selling its shares on the New York Stock Exchange (and "if possible, on the London and Tokyo exchanges," according to Estenssoro) is subject to the political and economic pressures that Congress and the provinces can put on our economic authorities. The privatization of YPF, which was politically unthinkable just two years ago, seems to depend now solely on the accord that the oil-producing provinces reach with the economic authorities on royalties due. Except for the Radical bloc, no one is seriously questioning the plans to privatize YPF, and thus sooner or later the law will be enacted, especially because the discussions with the provinces include a package of almost $2.5 billion in one year (more or less, depending on who winds up winning the current tug-of-war). Yesterday, the YPF bill was again tabled at the urging of senators from Neuquen, this time until Wednesday the 20th. The Neuquen senators' motion was supported by the Radicals and the provincial blocs, but the ruling party's fear that it would not achieve a quorum with its own legislators also seems to have been a factor, and thus Justicialists Rodriguez Saa and Oraldo Britos proposed postponing Cavallo's appearance before the Senate for one week before discussing YPF and the framework for privatizing the gas industry. It is also true that although there are no serious doubts that the bill will eventually pass, the ongoing delays endanger the Economy Ministry's fiscal estimates inasmuch as the bill allows for the privatization of YPF assets, which could not be transferred until now and which can be sold off more readily than state-run enterprises. Below is the interview with Estenssoro, who clarified that the State may sell up to 100 percent of YPF if it so decides, depending on the bill that is before the Senate.

[AMBITO FINANCIERO] How do you see relations with Congress? Will the YPF bill be passed?

[Estenssoro] Congress is taking its time. The only thing that we can do is try to convince legislators that the YPF

transfer law is a priority for the Executive Branch and is essential to the president's program.

[AMBITO FINANCIERO] What proposals are the senators from the ruling party making in their talks with you and other government officials?

[Estenssoro] I would say that they are questioning rather than proposing. The concern that Senator Molina in particular has voiced is why didn't the State keep a percentage of the shares (20 percent) so that it could exercise its veto if it had to. Cavallo explained very clearly that such a proposal would totally invalidate the bill. If one really wants to enter the world market, one cannot do so Argentine style, where one share is worth five votes. One share is worth one vote. Moreover, if the need arises, the State can buy as many YPF shares as it wants on the international stock market. Shell, for example, redeemed all of its shares on the New York Stock Exchange, and nothing happened.

[AMBITO FINANCIERO] Based on what you are saying, could the State sell up to 100 percent of YPF on the stock market?

[Estenssoro] The bill says that the State, along with the provinces, must sell at least 50 percent of the YPF share capital over a maximum of three years. But it can also sell up to 100 percent.

Extreme Cases

[AMBITO FINANCIERO] However, the bill also mentions the possibility of the State keeping 20 percent, if need be....

[Estenssoro] The idea is that the State can hold 20 percent provided that it is still interested in remaining in the oil business and that as long as it holds this percentage, a yes vote from it is needed to approve a merger with other companies, to accept a friendly or hostile takeover bid, to cease exploration or development activities, or to voluntarily dissolve the company. But this is provided that the State decides to stay in the business, and we are talking solely about extreme cases. The State cannot veto company decisions, which are up to the shareholders.

[AMBITO FINANCIERO] Don't you think that one group or one oil company will wind up controlling YPF?

[Estenssoro] Big companies, the oil companies in particular, are normally owned by thousands of shareholders. Exxon is a typical example. Moreover, on the New York Stock Exchange, when a group buys more than 17 or 18 percent of the shares, it is called on to explain what it is going to do. Moreover, with YPF we are going to do the opposite as with Telefonica; we are going to start by selling a small number of shares to maximize the return.

[AMBITO FINANCIERO] You seem to be assuming that the stock will rise awfully fast.

[Estenssoro] YPF is going to be the first company to place shares in New York and, if possible, in London and Tokyo, and they will not be slips of paper. The share price in New York will depend on political developments, the economic situation, and the development of the company itself.

[AMBITO FINANCIERO] But before going public, YPF will have to dispose of very sizable assets. There are those who say that there will be nothing left to sell.

[Estenssoro] Aside from the partnerships that we have already entered into and the one that we will have in the northwestern basin, YPF will dispose only of its undesirable assets. It will hold on to lower-risk exploration zones in Neuquen and Comodoro, the higher-output fields in Mendoza, Neuquen, and Comodoro, and three refineries that account for 65 percent of the country's installed capacity. We will continue to handle 55 percent of the oil that is extracted in the country, and we plan to maintain a 50 to 55 percent presence in the fuels market.

[AMBITO FINANCIERO] You said that the company would be worth $8 billion. How did you come up with this estimate?

[Estenssoro] On the basis of reserves. At market values, not in the ground, we have reserves of $7 billion today.

[AMBITO FINANCIERO] So the company is worth only what its reserves are?

[Estenssoro] The reserves are especially important, but we also estimate that in two or three years, after private capital is brought in and the company becomes more efficient, it will have a market value of some $12 billion. In the ranking of world oil companies YPF is very close to Texaco in its level of reserves.

* Changes in Deregulated Oil Industry Noted

92SM0424B Buenos Aires CLARIN (Economics Supplement) in Spanish 26 Apr 92 pp 2-3

[Text] Sixteen months after the start of oil-industry deregulation, the production of so-called black gold has begun to take off as a new oil map is being drafted. The fact is that today more than 60 percent of our crude oil is being extracted by private companies, while Government Oil Deposits [YPF] is being relegated to a smaller and smaller share of the market.

Oil production increased just 1.5 percent in 1991, from 28 million cubic meters in 1990 to 28.5 million. During some months last year, output even declined. It only began increasing in August. Since then there has been a steady rise in production. Last February it hit a record of more than 85,000 a day, up almost 10 percent from the 1991 average.

The oil industry says that the poor performance in the first half of 1991 was due to the fact that these were transition months, owing to the transfer of secondary and central areas from the state-run company to private

capital. The change in operators hurt activity, oil men say, but as of the second half of 1991, with the areas normalized, production started rising steadily. Jose Estenssoro, the head of YPF, estimated that total production this year could hit 32 million cubic meters, up 12 percent from output in 1991.

At the start of deregulation (January 1991), the state-run oil company accounted directly for 58 percent of output, with the rest produced by private firms acting on YPF's behalf. After YPF secondary and central areas were transferred to private operators and crude oil was made freely available to the extracting firms, the state-run oil company accounted for just 38.8 percent of production last February. Estenssoro told CLARIN that the private firms would be paying some $1.145 billion to the National Treasury for the opportunity to manage the four central areas of YPF and the three areas of the Austral basin. The 64 secondary areas that YPF transferred to the Energy Secretariat and that were later put up for bids brought in another $404 million.

Half Dozen

Although the oil-industry privatization is not over, it is becoming clear that six or seven companies are taking over the market and that YPF will probably be relegated to a share of no more than 25 percent.

Most of the new owners are well-known domestic and foreign firms. They had previously been contractors of or suppliers to YPF that converted their leases into concessions, first taking over the secondary areas near their main deposits, and then choosing to come in as majority partners in the central areas. Examples are Perez Companc, Bridas, Tecpetrol, Astra, Amoco, Total, and Occidental. In February these seven companies accounted for 53 percent of our output and 86 percent of the private share. Heading the list of private firms is Perez Companc, with some 15 million cubic meters, almost one-fifth of overall output. The second feature of the new oil map is that it is dominated by several financial groups that have taken over many of the privatized enterprises. Perez Companc is part of the Telecom consortium; Tecpetrol belongs to Techint, which won several railway routes (Ferro Express Pampeano), will have a share in Telefonica, and will bid for Somisa [Argentine Iron and Steel Joint Association] when it is privatized. These groups, along with Bridas de Bulgheroni, are going to be major players in the privatization of the State gas enterprise, the electric-power plants and in even the distribution of SEGBA [Greater Buenos Aires Electrical Services]. Some of these groups also plan to be involved in managing the private retirement funds through the AFP's [Pension Fund Administrators], if the social-security reform is approved.

The rise of these oil groups was spurred by their absorption of YPF development areas without production risks. They were basically purchases of proven reserves in production areas. Some analysts are saying that the increase in output that we are now seeing stems from the companies' need to recover their costs of purchasing the reserves. Without investment in secondary oil recovery and, above all, in new reserves, however, the prospects for production could be very limited.

Nonetheless, the final oil map will be drawn after new YPF areas in the northwest basin are transferred, thus further reducing YPF's share. Lastly, there are plans to transfer major assets, such as refineries, vessels, etc., to the private sector. And the YPF itself remains to be privatized; this issue is before Congress and involves net assets of $8 billion according to company officials.

Oil Production (in cubic meters a day)

Operator	January 91 (start of deregulation)	February 92 (latest data)
YPF	44,002	33,110
Perez Companc	6,675	15,005
Amoco Production Company	6,674	6,694
Total Austral	4,204	8,415
Occidental	4,251	3,747
Bridas	2,703	4,031
Astra	2,397	4,428
Capsa	1,341	1,124
Cadipsa	1,012	1,575
Pluspetrol	1,118	1,312
Quitral-Co	509	—
Tecpetrol	332	2,747
Others	3,283	3,043

Prices

Deregulation has freed up the prices of crude oil, and they have come in line with world prices since export restrictions were lifted. Nevertheless, the producers complain that the buyers' market is oligopolistic because there are just three refiners (Esso, Shell, and YPF) and actually two, because the refineries of the state-run company use its output. Thus, Carlos Cortizas, the commercial manager of Perez Companc, told CLARIN that the local refineries have a very high markup. In this regard he indicated that even though the world price of crude oil is down and the net domestic price (excluding royalties, transportation, wastage, etc.) is down even more, the end prices of fuels have not declined to the same extent. The refineries, in contrast, maintain that the domestic price is on a par with the world price and that the producers have the option of exporting if they find the domestic price unacceptable. The domestic price of crude oil has become a crucial issue because if it were to drop by one or two dollars a barrel, the profitability of production would be adversely affected, in the opinion of the producing firms.

Exploration

Oil reserves have been critical to Argentina ever since they have been equivalent to just nine years of production and have been shrinking. The industry is awaiting the implementation of the so-called Argentine Plan, under which all areas will be put up for bids by private firms. The company that offers to do the most work and make the biggest investment in the least time will be selected. The bids must be submitted before June so that the private sector can embark fully on exploration work as of the second half of the year. The foreign firms, such as Occidental, Total, Marathon, and Repsol, seem definitely interested in this area. Whatever oil is discovered will be freely available to that private firm.

Bolivia

President Paz on U.S. Supreme Court Ruling

PY1906025492 La Paz Television Boliviana Network in Spanish 0200 GMT 19 Jun 92

[Text] Speaking to the press at Government Palace, President Jaime Paz Zamora discussed, among other points, the U.S. Supreme Court ruling on the abduction of criminals and terrorists in all the countries of the world without respecting extradition treaties. On this point, he said Bolivia has not received any official communique in this regard:

[Begin recording] [Paz Zamora] Well then, we have not been officially notified. We know this through press reports and therefore, for the Bolivian Government, such a ruling does not exist officially. At any rate, we will voice any opinion through the appropriate organizations, (?through) the Bolivian Foreign Ministry. Nevertheless, this ruling does not officially exist for the Bolivian state because it has not been officially notified either. Now then, as with any citizen of the planet, we are worried about it, not only as Bolivians.

[Unidentified reporter] Mr. President, the Foreign Ministry has precisely announced that negotiations will be conducted with the U.S. State Department to redefine, if such a word is to be used, the nature of [words indistinct].

[Paz Zamora] Ah! No. This does not have anything to do with the... [pauses] But we were doing this before the report about the U.S. Supreme Court. We issued instructions on the level of cooperation that we Bolivians want, that the relationship of the U.S. cooperation, through the DEA in Bolivia, be a little more regulated. This was going on before. It has not been caused by this matter.

[Reporter] Nevertheless, will an official communique be requested [words indistinct]?

[Paz Zamora] No. I suppose it is up to them to notify us about this ruling or not. For us, it does not exist officially. [end recording]

Officials Cited on Extradition Treaty With U.S.

PY1806172692 La Paz PRESENCIA in Spanish 5 Jun 92 p 7

[Text] As a clear answer to the reiterated U.S. demands for a new extradition treaty with Bolivia, specifically for drug trafficking cases, Foreign Minister Ronald MacLean said that the signing of such an extradition treaty with the United States would generate an intense atmosphere of violence, like that in Colombia.

Even though U.S. Embassy spokesmen have said that "they will respect the Bolivian position [no end quotation marks as published], Ambassador Richard Bowers is waiting for a Supreme Court ruling (concerning a request for extradition of the relatives of "Techo de Paja") to confirm whether the terms of the treaty of 1900, which was signed to extradite Butch Cassidy, are sufficient. The ruling will be made known in 30 days.

He explained that the wave of violence and terrorism in Colombia, which was provoked by the extradition of drug traffickers, has upset the foundations of civil society. In this regard he said that the main objective is to preserve the interests of the country, to preserve social peace, and to strengthen relations and institutions.

MacLean said: "That is our solution. We are aware that these matters have implications for international relations, especially with the United States, for which reason we have made extraordinary efforts to find a compatible position for all sides."

He emphasized that the government is studying the subject, and that the decision to sign a new treaty is a matter "that has not been decided" by Bolivia. "The president has expressed his best will to find formulas, and if possible to sign a new treaty. Yet before that we have sought our own imaginative formulas, such as the repentance decree under which alleged drug traffickers turn themselves in," the minister said.

He said that the objective is "to put them out of circulation" and end their activities, but the matter actually entails something very sensitive: preservation of social harmony and peace.

Asked about the allegedly incorrect enforcement of the law in Bolivia, especially in connection with a light sentence imposed on three traffickers, he said that maximum penalties had been requested for them, but that it is also necessary to prove the charges and provide tangible evidence. In this regard, he emphasized the events in Los Angeles, where the courts acquitted policemen who beat a black motorist, thus showing that proceedings were not equitable.

He also mentioned the extradition of Colombian drug trafficker Carlos Lehder and his trial in the United States. "That is not something that could serve as an example, considering the size of the business and the violence for which he was responsible in his country."

From this viewpoint, he said that extradition is not a simple matter. He reiterated that the country should have a vigorous judicial branch and appropriate trial proceedings.

MULTILATERAL TREATY?

Vice President Luis Ossio said that concerning the signing of a new treaty, the Bolivian Government favors a collective extradition treaty signed with other countries. He explained that a bilateral agreement can be disregarded by any one of the signing countries.

The government of George Bush has not exerted pressure. It was a proposal from former ambassador Robert Gelbard. As the treaty was not signed, the country enforced the so-called "repentance decree." The latest events, however, showed to Bolivia and to the U.S. Government that judges are not performing in conformance with "what society expects from them."

"Judges are coldly enforcing the law. They made no effort to see the situation within the appropriate context," Ossio said.

UN Technical Cooperation Grant To Be Disbursed

PY1706185292 La Paz Television Boliviana Network in Spanish 0200 GMT 9 Jun 92

[Excerpts] President Jaime Paz Zamora has signed a decree regulating the disbursement of a $708 million cooperation grant from the United Nations. Planning and Coordination Minister Samuel Doria Medina has stated that the decree establishes that this amount, to be disbursed within the upcoming five years, is to be invested in major needed areas.

[Begin Paz Zamora recording] A program for the upcoming five years has been outlined. This program clearly establishes the priorities. This technical cooperation funds will be allocated to five needed areas: economic stability and structural reforms; economic reactivation; human development; environment and natural resources; and alternate development and drug control. The $708 million in technical cooperation aid to be granted to Bolivia in the next five years will be earmarked for these areas. The appropriate and efficient use of this donation is of equal or perhaps greater importance than the remainder of the resources that Bolivia receives as part of international credit. [end recording] [passage omitted]

President Paz Zamora emphasized the unity prevailing among Bolivians, and their capacity to invest, thus encouraging foreign concerns to invest in Bolivia.

[Begin Paz Zamora recording] In light of our behavior we Bolivians deserve credibility and confidence abroad. This is the first time we have ever received such cooperation. We can understand this, because we have put our house in order and will continue to do so. This is why we have obtained this cooperation. The second factor is that cooperation has two directions—that is, there is a relation between those who cooperate and those who receive the cooperation. Thus this is not a unilateral action, and furthermore an agreement should be reached to obtain such cooperation. Such cooperation can be useful both for those who cooperate and for those who receive the cooperation.

What has happened is that for the first time ever we are receiving a lot of international cooperation in implementing economic, human, social, environmental, alternative development, stability, and structural reform programs. If we are receiving so much cooperation, then let us not waste it. Let us use it appropriately. [end recording]

Brazil

Collor Summons Accuser Motta Veiga to Court

PY1806220192 Rio de Janeiro O GLOBO in Portuguese 17 Jun 92 p 4

[Text] Brasilia—Former Petrobras [Brazilian Petroleum Corporation] President Luis Octavio da Motta Veiga will have 48 hours, beginning today, to confirm or deny the accusations he made against President Fernando Collor and Secretary General of the Presidency Marcos Coimbra.

Following a meeting that lasted all yesterday afternoon, Collor and Coimbra were advised by Justice Minister Celio Borja to submit two separate court summons on Motta Veiga.

Concerning President Collor's summons, Motta Veiga will have to explain his remarks to the magazine VEJA that Collor is reportedly the source of power of businessman Paulo Cesar Farias, alias PC.

Motta Veiga will also have to explain the report given on 15 June to O GLOBO that Coimbra prevented him from reporting to Collor about the pressure that PC was applying in the Petrobras/VASP [Sao Paulo Airline] case.

"Mr. Motta Veiga is a liar and will be unmasked before the Congress CPI [Congressional Investigative Committee]," Coimbra said.

The double summons is the first measure that the Planalto Palace Legal Advisory Department is using to force Motta Veiga to either confirm or deny, directly, the accusations he has been repeating against Collor and Coimbra since 14 June. Depending on his testimony in court, the presidential legal advisory will probably bring charges against Motta Veiga for slander or defamation.

Presidential Press Secretary Pedro Luiz Rodrigues said: "Through the interview to VEJA, Mr. Motta Veiga has slandered himself, but he hid behind dubious remarks and statements accredited to third parties. This is why the president decided to court summon him."

Concerning the reports that Coimbra reportedly intercepted telephone calls by President Collor, Motta Veiga will also have to confirm or deny them before a judge. Today the two court summons will be formalized and Motta Veiga will be notified in London.

"The accusations against Coimbra are so preposterous that he could not resist and decided to issue a summons so that the accusations may be cleared up," Rodrigues said.

Czechoslovakia To Promote Bilateral Trade

PY1806212092 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 14 Jun 92 Economic Section p 7

[By Oswaldo Ribas]

[Excerpts] Brazil and Czechoslovakia have committed themselves to promoting their bilateral exchange to a target of $1 billion by the year 2000. Despite the political difficulties that might cause the union of the Czech and Slovakian Republics to collapse in the next few weeks (see attached report), the Prague government has started an offensive on various fronts for promoting exchanges with Brazilian businessmen and the Brazilian Government. Says Ludvik Nemec, Czechoslovak's general consul and charge d'affaires in Sao Paulo: "We want Brazil to become our main economic partner in Latin America."

Nemec, who accompanied a commercial Czechoslovak mission that came to Brazil to attend the Environmental Technology Fair in Anhembi Park, reported the signing of a contract between the Minas Gerais government and the Czech Skoda vehicle factory for installing electric buses in Belo Horizonte. [passage omitted]

Diversified Trade—For Czechoslovakia, Brazil is a major supplier of soybean chaff and iron and manganese ore. These products account for the largest portion of Brazilian exports to Czechoslovakia, which in 1991 amounted to $120 million and registered a surplus—in favor of Brazil—of $20 million. Nemec said: "The Czech Government intends to modify, in the near future, the profile of the balance of trade between our two countries: Instead of buying only raw materials, we will start buying Brazilian manufactured products." He added that it is a good opportunity to diversify the products purchased from Brazil so that this country may overcome the stage of raw material supplier, "which is a feature of Third World countries." [passage omitted]

Joint Ventures—The privatization process in Brazil and Czechoslovakia has opened unlimited possibilities for private capital partnerships between the two countries. "We expect more action from our Brazilian partners," the consul said. He recalled, however, that partnerships between the two countries have thus far failed. A change in the rules of the game in the Manaus duty-free zone, where fiscal incentives were eliminated, at the beginning of the year caused the failure of a Czech project to build a printing machine manufacturing plant in the area.

Despite setbacks, the Czech Government is optimistic about future partnerships. Nemec mentioned the cooperation between his country and the cement plants of the Joao Santos Industrial Group (GIJS), in Pernambuco. He said: "The group is currently operating seven cement factories with Czech technology, while four other factories are being built."

The Czechoslovaks mentioned other areas for possible cooperation, such as the mechanical industry, and production of tractors and vehicles, machines for building highways, and irrigation equipment. Bilateral commissions are studying possible forms of cooperation in the mining and oil extraction areas. [passage omitted]

Chile

Finance Minister Seeks Free Trade Treaties

PY1806144492 Santiago Radio Cooperativa Network in Spanish 2300 GMT 17 Jun 92

[Text] Finance Minister Alejandro Foxley has said that Chile is interested in signing a free trade treaty with Venezuela, Mexico, and Colombia. Foxley will travel to Venezuela on 19 June to attend a meeting of officials in charge of the economic policies of the main Latin American countries. This meeting will be the continuation of another that was held in Cachagua, on the central Chilean coast.

Foxley will also contact various Venezuelan leaders and meet with Chileans resident in that country. He will then travel to the United States, in response to an invitation from his U.S. counterpart, Treasury Secretary Nicholas Brady. Foxley said that for the first time Latin American opinion will be heard before a meeting by the seven most industrialized countries of the world, where this time the free trade issue will be addressed.

Concerning negotiations between Venezuela, Mexico, and Colombia for a free trade agreement, Foxley said:

[Begin recording] [Foxley] I would like to say that we are very much interested in the negotaitions betweeen Mexico, Colombia, and Venezuela. Considering that we have already signed an agreement with Mexico, we believe that it would be interesting to sign an agreement with Venezuela, that could finally lead us to an agreement between Colombia, Venezuela, Mexico, and Chile. This would be a significant step forward for Latin Amerian integration.

[Unidentified correspondent] Will that mean that Mercosur [Common Market of the South] will be left behind?

[Foxley] Not at all. I believe that this could be a starting point toward a natural convergence with Mercosur. [end recording]

He blamed the U.S. House rejection of a reduction of the foreign debt on the pre-electoral campaign in the United

States and on the U.S. fiscal deficit. He added that this decision will not have major effects on Chile.

He finally applauded the fact that Chile's Freedom and Development Institute, which follows a liberal line, was tying its tariff reduction proposals to taxes, because otherwise tariff reductions could produce a deficit in government accounts.

Congress Approves Terrorist Repentance Bill

PY1706163192 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0000 GMT 10 Jun 92

[Text] Congress today approved the terrorist repentance bill. The bill is considered a historic instrument in the fight against terrorism. The Senate approved the bill by unanimous vote this afternoon. The Chamber of Deputies approved the bill last week.

[Begin recording] [Senator Sergio Diaz] This bill will allow individuals who participated in terrorist activities to show their repentance by cooperating with the justice department in the prevention of terrorists acts or in the dismantling of terrorist organizations. The law empowers judges to adopt all necessary measures to protect the individual providing the confession, including a change of identity.

[Senator Hernan Vodonovic] The final text includes two amendments that have improved the original bill. These amendments contemplate the possibility of repentance after a trial, that is, after the criminal has been sentenced. In this case judges must reduce the penalty. The second amendment establishes a 4-year statute of limitations. [end recording]

Justice Minister Francisco Cumplido did not reject the possibility that the president might veto the bill, seeking a better definition of the amendments. This could cause a delay in its promulgation.

Medical Treatment Agreement Signed With Cuba

PY1606221892 Santiago Radio Cooperativa Network in Spanish 2300 GMT 15 Jun 92

[Excerpts] The agreement signed between medical institutes in Chile and Cuba is aimed at making a rational use of Cuban medical facilities for the treatment of Chilean neurological pathology patients.

The agreement was signed by the Ibero-American Transplant and Regeneration of the Nervous System Center of Havana directed by Dr. Irma Molina and by Isapre [Institute of Public Health and Preventive Medicine] of the Colmena district in Chile. Isapre-Colmena President Dr. Rene Merino explained that the agreement will favor all Chileans who could be treated in the Cuban center as long as they have the means to finance their trip and treatment. [passage omitted]

Merino said the idea is to send to Cuba the patients who could be treated there and to leave the others to Chile's world-renowned specialists.

[Begin Merino recording] Cuban doctors have specialized in some aspects that have been ignored in other parts of the world. They have concentrated on rehabilitation to a level we probably do not know, but which we also will try to establish in Chile. But this is not all, there are nervous system injuries that are treated better in Cuba than here. Therefore, in this case it would be justified for a person to go to Cuba. But there are other cases that either can be treated here or cannot be treated anywhere. [end recording]

The patients who want to know about the treatments can get information in the 28 branches owned by Isapre in the nation.

Colombia

Income Tax Surcharge Modification Announced

PA1806201092 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1630 GMT 18 Jun 92

[Text] Tax reform has suffered some changes over the last few days. A new modification to the surcharge to the income tax, which had been set at 37.5 percent, was announced on 18 June.

[Begin recording] [Unidentified reporter] Senator Victor Renan Barco, what is the final rate for the income tax?

[Barco] Article 12 of this project deals with the 7.5 percent surcharge, which increases the rate from 30 percent to 37.5 percent. This means that the previous rate of 30 percent was increased by 25 percent. As there is a temporary article, a paragraph, in that same article whereby this increase in the rate is deductible from the income tax, the surcharge would be approximately 17 percent, which is what several political sectors had requested.

[Reporter] Senator Barco, who pays this income tax?

[Barco] That is a very important point. Under the current terms—because these are numbers that are readjusted in accordance with the tax code—independent workers and persons with a yearly salary of under 15.6 million pesos will not pay the surcharge. [end recording]

President Cesar Gaviria has approved Law No. 5, whereby the new statutes for the Congress were adopted and last year's allotments for members of the Congress and councilmen were legalized.

The approval of the Congress' new statutes eases the final approval of tax reform.

President Approves Congressional Regulations Law

PA1806182792 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1630 GMT 18 Jun 92

[Text] President of the Republic Cesar Gaviria approved the law for Congressional regulations without any objections.

This means that the famous clause [mico] about the allotments [auxilios], which caused so much controversy, has now been established as a law of the Republic.

The article allows the disbursement of the allotments assigned before the new Constitution became effective. It also states that the unpaid allotments included in the 1991 budget will go into the national budget.

This was the report from Narino Palace.

Judges Create 'Crisis' in Guerrilla Agreements

PA1806024792 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 2300 GMT 17 Jun 92

[Text] Government agreements made with guerrilla groups less than a month ago are currently in a crisis because of the actions of anonymous judges. The apparent clash between the executive and judicial branches is forcing the government to come up with mechanisms to preserve its peace policy without interfering in judicial proceedings.

The arrest warrant issued against Revolutionary Armed Forces of Colombia leader Alfonso Cano has certain things in common with another warrant issued against the M-19 [19 April Movement]. First, both warrants were issued by an anonymous judge. Second, they involved calls to trial via arrest warrants. Third, the warrants were issued against people linked to the guerrillas. Fourth, both warrants were issued for a similar charge: terrorist acts. Fifth, both created problems for the government with a political group made up of former guerrillas or with government-recognized negotiators. Sixth, they have forced the government to seek solutions: a bill in the case of the M-19, and guarantees for the return of the negotiators in the case of the National Guerrilla Coordinating Board [CNGB]. Seventh, in both cases, the goal is to preserve the credibility of the pledge made as the foundation of the peace policy.

The differences are: One case pertains to a group that has already been reincorporated into society, and the other to active groups. In the case of the CNGB, international police cooperation has been requested.

In both cases the most obvious consequences are that the scope of amnesties granted within the peace processes must be defined to preserve government credibility, and clear distinctions between political and common crimes must be made to ensure respect for justice.

Paraguay

Senate Deplores U.S. Supreme Court Ruling

PY1906020092 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 0007 GMT 19 Jun 92

[Text] The Senate today approved a declaration deeply deploring the U.S. Supreme Court ruling that authorizes the kidnapping abroad of drug traffickers or terrorists to submit them to U.S. justice, as, for example, in the case of Mexican citizen Humberto Alvarez Machain. The Paraguayan Senate declaration states that the document must be made known to the U.S. Congress.

Costa Rican President Signs Declaration, Accords

PY1806225192 Asuncion PATRIA in Spanish 17 Jun 92 p 7

[Excerpts] As clear and concrete evidence that the ties between Paraguay and Central America will be more dynamic in the near future, yesterday afternoon at the Lopez Palace the Paraguayan and Costa Rican Governments signed a joint declaration and six bilateral agreements that will vitalize relations with that important portion of the Americas.

The documents were signed during a ceremony held yesterday at about 1800 at the government palace.

The joint declaration was signed by the Paraguayan and Costa Rican presidents as the culmination of the official visit paid by the latter to our land of the Guarani.

The joint declaration, signed by presidents Andres Rodriguez and Rafael Angel Calderon Fournier, contains a summary of the talks held by the two heads of state during the stay of the Costa Rican dignitary in our fatherland and also of the main hemispheric issues. [passage omitted]

The joint declaration was signed by the two heads of state during a ceremony at the Lopez Palace.

Paraguayan Foreign Minister Alexis Frutos Vaesken and Costa Rican Foreign Minister Bernd H. Niehaus later signed the six bilateral agreements.

The first agreement involves a memorandum of understanding to establish a system to facilitate mutual trade.

The second agreement involves technical exchange between the Paraguayan Diplomatic and Consular Academy and the "Manuel de Maria Peralta" Foreign Service Diplomatic Institute of Costa Rica.

The third agreement involves tourism and the fourth involves a framework agreement on technical cooperation.

The fifth and sixth agreements foresee cultural exchanges and the removal of visa requirements from diplomatic and official passports. [passage omitted]

Rodriguez, Chile's Aylwin Sign Declaration

PY1806155092 Asuncion PATRIA in Spanish 13 Jun 92 p 8

["Joint Declaration" signed by Paraguayan President Andres Rodriguez and Chilean President Patricio Aylwin Azocar in Asuncion on 11 June 1992]

[Text] 1. On the invitation of His Excellency the President of the Republic of Paraguay Andres Rodriguez, His Excellency the President of the Republic of Chile Patricio Aylwin Azocar paid an official visit to Paraguay on 10, 11, and 12 June 1992.

2. The president of the Republic of Chile was accompanied by Foreign Relations Minister Enrique Silva Cimma, Planning and Cooperation Minister Sergio Molina, congressmen, business representatives, reporters, and directors of communications media.

3. During his stay in Paraguay, Chilean President Patricio Aylwin held work meetings with President Andres Rodriguez, the Chilean ministers held meetings with their Paraguayan counterparts, and the businessmen held a business meeting.

4. The Chilean president was given the key to the city of Asuncion.

5. His Excellency Chilean President Patricio Aylwin was decorated by President Andres Rodriguez with the Mariscal Francisco Solano Lopez Collar in the Independence Hall of Lopez Palace. During the same ceremony his excellency the Paraguayan president was decorated by President Patricio Aylwin with the Collar of the Order of Merit of Chile.

6. The Chilean president was received in a solemn session by the honorable National Congress, where he delivered a speech emphasizing the importance of the congressional role for the development of the democratic system and the full enforcement of freedom and human rights.

7. The visiting president met with the president of the Supreme Court, His Excellency Jose Alberto Correa, in the justice building.

8. Presidents Rodriguez and Aylwin, encouraged by their firm political will to strengthen friendship, cooperation, and understanding between Paraguay and Chile, verified with special satisfaction the high level of the relations between the two countries, and after evaluating important issues of regional and international interest, decided:

I. International Situation

9. To emphasize increasing respect for human rights as a global achievement, and reaffirm their commitment to the international system for protecting such rights; to reject at the same time all forms of violence and terrorism jeopardizing democracy and the state of law; and to point out the satisfactory progress being made at regional and international levels for the democratic consolidation of the people, which is the best guarantee for the full exercise of the people's basic rights and freedom, and the appropriate path for the overall development of people's feelings and needs in an environment of freedom and social justice.

10. To agree that the problems derived from poverty, which greatly affect developed and the developing countries, degrading human beings, obstructing internal development, and permanently jeopardizing peace and world security, demand for their prompt eradication a firm international commitment. In this regard they decided to support the call for a world summit for Social Development, in accordance with Decision 1991-230 of the Economic and Social Council and Resolution 46/139 of the UN General Assembly, to strengthen international cooperation in facing the most serious social problems affecting humanity—especially extreme poverty, welfare deficiencies, and equitable economic development in various regions of the planet.

11. To express their concern ıor the problems of the environment and its profound relationship with sustainable economic development, especially for people of less developed areas. In this regard they pointed out the great importance for the international community of the UN Conference on Environment and Development being held in Rio de Janeiro, Brazil.

12. To emphasize the need to strengthen the mechanisms of agreement and international cooperation. In this regard they noted their governments' commitments to the principles established in the UN Charter and to the ideals and objectives of the OAS Charter.

II. International Cooperation and Regional Integration

13. To reaffirm the importance of the Rio Group as a permanent mechanism for consultation and political agreement and as a valid regional interlocutor before the international forums. To emphasize the conclusions reached in the recent second ministerial meeting between the EEC and the Rio Group held in Santiago, Chile on 28-29 May.

14. To ratify the "Asuncion Declaration" on the cer tennial of the Interamerican System, issued during the 20th OAS General Assembly, the "Santiago commitment," and the "Nassau Declarations" agreed upon during the 21st and 22d OAS Assemblies, with a view toward reviewing the Interamerican system in the new world context, and declaring its unavoidable commitment to support the preservation and consolidation of representative democracy and human rights in the region, based on respect for the sovereignty and independence of member countries.

15. To emphasize regional solidarity in democratic cooperation with respect to the Haitian situation and the OAS' outstanding role, in trying to assure full respect for essential freedoms and the democratic system in this

country. To this end, they urged all Haitians to cooperate with this effort, so that their country could rejoin the free and democratic international community.

16. To emphasize the broad continental reaction over the attempt of determined sectors to destabilize the Venezuelan democratic regime. This solidarity greatly contributes to strengthening the legality and respect for the existing institutions. To express their concern over the interruption of Peru's democratic process, and their agreement on the need to support OAS efforts to try to restore the democratic coexistence in this country.

17. To strengthen regional environmental activities and efforts to carry out joint actions for environmental preservation in Latin America. To express their unrestricted support for the "Guadalajara and Canela Declarations" on environmental protection in the region, to be implemented through the drafting and progressive development of international environmental law.

The ALADI [Latin American Integration Association] Forum

18. To ratify that the Latin American Integration Association ALADI represents the appropriate institutional forum for effective regional integration. To reaffirm that the Montevideo Treaty signed in 1980 is the instrument for the development of initiatives and actions to move forward toward full Latin American integration and cooperation.

19. To emphasize the importance of the search for opportunities with the intention of joining Chile to Mercosur [Common Market of the South], as stated in the message sent by Chilean President Patricio Aylwin on the occasion of the signing of the Asuncion Treaty on 28 March 1991.

20. The Chilean president voiced his pleasure over the Paraguayan Government's support for the joint declaration on the ban of chemical and biological weapons, that is, the "Mendoza Commitment" signed by Argentina, Brazil, and Chile, and for its decision to endorse the proposal on amendments of the "Tlatelolco Treaty" submitted by the three countries.

21. To emphasize their concern over the increasing illegal trafficking of drugs and psychotropic substances in the region. To express their desire to intensify bilateral and international cooperation on the basis of the agreement signed by the two countries in 1990 to effectively fight this serious scourge. To emphasize their interest in attempting to find new ways of cooperation in this area, including those intended to avoid the use of their financial systems for the laundering of drug money.

III. Bilateral Relations

22. To express their satisfaction with the excellent bilateral relations, and stress the need to project them toward the future on the solid basis of the historical Paraguayan-Chilean brotherhood, as established in the final document of the 12th Paraguayan-Chilean Mixed Commission meeting held in Asuncion on 25-26 July 1991.

23. To emphasize the two governments' decision to order the appropriate institutions to carry out the analysis and signing of an economic complementary agreement to regulate global economic and trade relations between the two countries, in keeping with the ALADI regulations. To order the analysis of a document intended to eliminate the double tax on reciprocal investments and the implementation of a system to protect them.

24. To establish reciprocal interest in strengthening the links in the various business sectors by promoting bilateral contacts. To emphasize the presence in the Chilean presidential entourage of business representatives from the various productive fields, who will take the opportunity to deepen cooperation links with their Paraguayan counterparts and set up useful mechanisms to increase bilateral economic and commercials ties.

25. To express satisfaction over the notable increase in bilateral commercial exchange, and over the interesting future expectations, which represent a challenge for the two governments—and especially for the two countries' private businessmen.

26. To voice pleasure over the creation in Paraguay of the Chilean-Paraguayan Cultural Institute, which will help deepen the official cultural relations among the appropriate institutions by promoting academic cooperation and the exchange of information and documents. To strengthen the existing cultural agreement and establish a program of activities to implement it.

27. To deepen bilateral technical cooperation, and especially Chilean cooperation with Pro-Paraguay, to promote the major presence of Paraguayan products in international markets. To emphasize the special significance in this context of the signing of a basic technical and scientific agreement to replace the one signed in 1963, and which will include new elements and mechanisms for reciprocal cooperation within the framework of the Technical Cooperation Between Developing Countries [Cooperacion Tecnica entre paises en Desarrollo] (CTPD).

28. To emphasize the positive current relations between the two countries's authorities, who helped make progress in the analysis of a project for an agreement on double tax exemption on international air and road transportation involving enterprises that operate in each of these countries. This agreement will be signed as soon as possible.

29. The Chilean president expressed his thanks for the warm hospitality and the courtesy conveyed to him and his entourage by the Paraguayan people and government during his visit.

[Dated] Asuncion, 11 June 1992.

[Signed] Andres Rodriguez, president of the Republic of Paraguay; Patricio Aylwin Azocar, president of the Republic of Chile.

Laino Explains Support for Reelection Prohibition

PY1806183292 Asuncion ABC COLOR in Spanish 17 Jun 92 p 4

[Text] Domingo Laino, leader of the Authentic Radical Liberal Party, has explained that he endorsed the inclusion in the Constitution of the transitory provision forbidding General Andres Rodriguez' reelection, because he believes that "all Constituent Assembly delegates agreed to vote for the constitutional prohibition of reelection in Paraguay. I do not think that this decision could have aggravated anyone," he said.

Asked whether he supported the above-mentioned provision because he did not trust Rodriguez' promise not to run for another term, he said: "I have always trusted President Rodriguez' word, but his promise has become almost insignificant since the transitory article forbidding his reelection was approved."

He said: "Anyway, I believe that Rodriguez would have complied with his word as soldier, his military word, because he sincerely stated that he would comply with his promise."

Asked why he then voted for the inclusion of the transitory article, Laino replied: "My position is consistent with those who voted against reelection in Paraguay."

In face of his reply, he said that nonreelection was already included in an article of the new Constitution, and consequently the reason for the strict prohibition imposed on Rodriguez was not clear. Laino stated: "All those who voted against reelection sought to include the current presidential period."

Asked whether he shared the opinion of some high-ranking military officers who criticized the resolution and the lack of gratitude toward General Rodriguez, Laino said: "Before the 2-3 February coup I did many things, and I was arrested, tortured, and sent into exile by Stroessner's dictatorship. What were those involved in the coup doing? I have never asked for gratitude for the struggle in support of my principles." Finally, he said: "I do not know what those involved in the coup were doing when we denounced human rights violations before the international forums."

Peru

Start of National Dialogue Scheduled for 30 Jun

PY1906011092 Lima EL PERUANO in Spanish 7 Jun 92 p A1

[Excerpt] The return to the democratic institutional system will begin to be consolidated starting 30 June, when the government will begin to talk about peace and development with the citizens who present themselves to make their contributions to the structural transformations required by the country.

Oscar de la Puente Raygada, foreign minister and the Council of Ministers president, yesterday announced that starting 30 June the state, political society, and committed people will seek to delineate formulas to reverse the old bad habits that delayed any possibility of development for many years.

Thus far, more than 10,000 people have expressed their full interest in participating in the debates on the important issues for discussion such as constitutional reform, judicial branch reform, national comptroller system reform, national pacification, political parties law, and legislative branch reform.

Thus, the Emergency and National Reconstruction Government is complying with one of the principles assumed by President Alberto Fujimori at the OAS meeting held recently in The Bahamas, namely, promoting a quick restoration of the democratic system in Peru.

De la Puente stressed that the country requires a transformation of its institutions and that this must be reflected by the new constitution that will emerge from the Democratic Constituent Congress debates. [passage omitted]

Opposition Criticizes Elections' Postponement

PA1806152192 Lima Panamericana Television Network in Spanish 1200 GMT 18 Jun 92

[Text] Opposition politicians have criticized the Peruvian Government's decision to postpone Democratic Constituent Congress elections until 22 November and suspend municipal and regional elections. They said it is another demonstration of executive branch indecision in the country's return to democratic institutions.

[Begin United Left leader Enrique Bernales recording] First of all, we regret the fact that this was done without dialogue, which could help resolve any doubts and help come to an agreement, so that the elections can be held without mistrust.

I believe that if the elections had to be postponed—and we had requested a postponement—they should have been postponed until 8 November; not 22 November. We could even have accepted the postponement until 22 November if the schedule for the municipal elections had been kept.

We know that the municipal elections are held on the second Sunday in November, in accordance with the law. However, the announcement seems to state that the elections have been postponed indefinitely, which represents several violations to the Constitution because the mayors' mandate would have to be extended beyond their term.

[Reporter] Their term ends on 31 December, right?

[Bernales] Yes, 31 December. However, this is a serious inconsistency because the government has stated that the Constitution is still standing with regard to everything that does not affect the government. I cannot see how the municipal mandate would affect the government, yet they have postponed the elections. This means they could be held in December, January, or February. Besides, this sets a precedent because, if the postponement is passively accepted today, why should the government not postpone the presidential elections in 1995 as well? [end recording]

[Begin Xavier Barron recording] It is very serious because the municipal elections process had already begun, and now it has been postponed indefinitely. Also, the election originally scheduled for 18 October—in an unfortunate coincidence with such an important day in Peru [Day of the Christ of Miracles]—now has no technical guarantee that it will be held on 22 November. This means that, as far as I can see, the flaw is that there is no electoral decree—much less a political one—to justify a postponement of over one month, from 18 October to 22 November.

On the other hand, the municipal elections set over 60 days ago for 18 November have now been postponed. We have undressed one saint to dress another. They cannot be serious. [end recording]

Minister Says Not To Withdraw From Andean Pact

PA1906012692 Lima America Television Network in Spanish 0100 GMT 18 Jun 92

[Text] Jorge Camet, industry, tourism, commerce, and integration minister, said on the evening of 17 June that Peru will not withdraw from the Andean Pact. He added that the Peruvian delegation voted against the common tariff to defend the country's interests. He also said the Andean Pact must review its proposals. He returned on the evening of 17 June from Quito, where the Andean Group meeting was held.

[Begin recording] [Camet] The Andean Pact has been in existence for 23 years, but in the past two years, it has been modernized and the member countries have abided by its regulations more often. We have here a process. It took the EEC over 10 years to become integrated, and I mean fully integrated politically and economically. As far as we are concerned, we have emphasized the fact that at home we are unfortunately having a political problem that must be resolved as soon as possible.

[Reporter] [Words indistinct] will Venezuela give in regarding relations with Peru, or will its stance remain unchanged? What do you know about this?

[Camet] I think the Venezuelan Government will reconsider and renew the suspended relations.

[Reporter] Is that a condition?

[Camet] It is not, because governments are free to make their own decisions. Do not forget we are in charge of specific sectors of production. Relations among countries affect us, but we do not handle that aspect.

[Reporter] Will this meeting benefit Peru or [words indistinct]?

[Camet] I think the meeting will make all the Andean Pact partners reconsider and review some agreements that may not be the most appropriate for the integration and development of the group of nations. We must profoundly understand for the first time that integration is a concept that is also political. [end recording]

Vargas Llosa Calls For Army To Oust Fujimori

PY1806170692 Lima EXPRESO in Spanish 6 Jun 92 p A8

[Text] After pointing out that he does not believe in the implementation of the timetable to return to institutional order, Mario Vargas Llosa, a writer and former presidential candidate, asked the Army "to oust de facto president Alberto Fujimori and restore democracy to the country."

In remarks made in Berlin for Radioprogramas del Peru, Vargas Llosa said this would allow Maximo San Roman, designated contitutional president by the dissolved congress, to assume power in Peru, and would allow the restoration of full democracy.

Commenting on his call for a Democratic Constituent Congress (CCD), a commitment that Fujimori assumed before the OAS, Vargas Llosa said he considered this a positive fact, which at the same time represented "a step backwards in the face of international pressure and domestic democratic opposition."

Nevertheless, Vargas Llosa did not hesitate to point out that he does not have any confidence in Fujimori, because "it is not known if he is acting honestly to restore democracy or if it is a tactical measure to catch his breath in the face of international pressure."

Moving on, Vargas Llosa discussed the claims that the political parties are making to the government. These claims involve calling a dialogue to reach an agreement on the timetable and work schedule required in restoring democracy.

The founder of the Liberty Movement—which is a party today—emphasized: "Nothing is known. The discussions with the political organizations that the OAS specifically asked for are not taking place. Therefore the commitment with the OAS is being fulfilled in a relative way."

Vargas Llosa said that the absence of a dialogue with the parties could make them refrain from participating in the CCD elections.

Lima Province Security Brigades Created

PA1806040492 Lima Global de Television Network in Spanish 0100 GMT 17 Jun 92

[Text] After eight days of coordination with neighborhood leaders, the Lima subprefecture signed on 16 June the so-called major agreement for change, which formally creates security brigades in Lima. Neighborhood representatives from 35 districts attended the ceremony at the Lima Prefecture and signed Resolution 003 issued by the subprefecture. That resolution defines the brigades as an alert and intelligence system that will help the Police and Armed Forces combat crime.

[Begin Subprefect Augusto Vega recording] Resolved: To create through a resolution issued by the subprefecture the neighborhood security brigades in every Lima district. The brigades will be made up of young people and adults, both men and women, as a major alert and intelligence system to support the police and Armed Forces in their fight against crime. Signed by the municipal authorities and neighborhood and mass organizations, which represent the people, youth groups, and the Lima Province subprefect. [end recording] According to the draft creating the brigades, 50,000 persons are to be actively involved. Group members will undergo a seven-day training course supervised by specialized law enforcement personnel and other professionals. The prefecture's Special Civilian Identification Division will select the persons who will join the brigades and receive identification documents.

Despite the refusal by some district mayors to support this plan, Pueblo Libre will be the first district to create the brigades. The district has been divided into six zones with an equal number of brigades. As each district is expected to be divided into these zones, there are plans to create approximately 200 brigades in Lima.

[Begin Vega recording] I do not think any authority can be opposed to organizing people so they can defend their own interests. On the contrary, I think the authorities are obliged to give their total support to common yet honest and courageous citizens who take to the streets to defend their cities, streets, neighborhoods, towns, interests, and homes. I think we have the obligation to work and fully devote ourselves to leaving our children a country that is free and honest, without problems. [end recording]

Survey Finds 76 Percent Support Fujimori

PY1906003092 Lima EXPRESO in Spanish 4 Jun 92 p 4

[Summary] According to a survey by the private company Apoyo Incorporated, 76 percent of people in Lima would like to have elections for a constituent congress on 18 October, 18 percent does not agree with the established date, while 6 percent failed to give an opinion. The survey was made between 2 and 3 June after the broadcast of President Alberto Fujimori's speech establishing dates for the elections. Concerning the OAS delegation negotiations in Peru, 58 percent approved of them, 20 percent did not, and 22 percent abstained from answering. Moreover, 74 percent of the people continue supporting the administration of President Fujimori, 17 percent disapprove of it, and 9 percent abstained from answering.

Bolona on Creation of Antisubversive Fund

PY1806232192 Lima EL PERUANO in Spanish 5 Jun 92 p A1

[Excerpt] Economy and Finance Minister Carlos Bolona Behr yesterday announced that talks with national businessmen to create an antisubversive fund with contributions from the national industrial sector have already begun.

Minister Bolona said the idea is to equip the National Police in order to defeat terrorism "once and for all," indicating that only the implementation of the plan is required.

Minister Bolona spoke after a meeting that he and Industry Minister Jorge Camet held with Confiep [National Confederation of Private Business] members. During the meeting they discussed the economic program and urgent related aspects.

A few weeks ago Minister Bolona said that the money being paid by businessmen in "terrorist fees [cupos]" should instead go to the fiscal coffers so that the state can confront subversion with better equipped police forces.

During their meeting, the ministers and businessmen reviewed the economic program and worries about the rationing of electrical energy, which is causing a loss of $174 million per month.

Minister Bolona said during an emergency meeting that the energy problem will be reviewed soon.

The economy and finance minister described the meeting as positive, noting that efforts are constantly made to reach agreements without harming the state.

Juan Antonio Aguirre Roca, the president of Confiep, discussed with the ministers of state ways to import generators to produce light and the payment of the General Sales Tax (IGV) only on what they charge, not on what they sell [sentence as published].

Bolona Behr responded that he will study the proposals, making it clear that not all of them can be met. [passage omitted]

Church Willing To Mediate in Talks If Needed

PA1706035792 Lima Global de Television Network in Spanish 0100 GMT 17 Jun 92

[Text] Lima Archbishop Monsignor Augusto Vargas did not rule out on 16 June the possibility of mediation by the church to promote the dialogue between the government and the opposition. He said he would accept if asked to do so. After presenting a church document

entitled: "A New Peru; A Task for Everybody," he supported streamlining the tax structure to avoid overburdening the people.

The document is an analysis of the situation in Peru. It was drafted by the Permanent Council of the Peruvian Episcopal Conference and makes an appeal for dialogue, responsibility, and solidarity to create a new country. In presenting the document, Archbishop Vargas noted the need for all Peruvians to foster rapprochement and dialogue to restore democracy and end the wave of violence in the country. In remarks to the media, Msgr. Vargas did not rule out Church mediation to promote a dialogue between the politicians and the government, if asked to do so. He also commented on the need to streamline the tax structure to avoid burdening the people with too many taxes.

[Begin recording] [Vargas] This is what the document is for. We are saying we need a dialogue among all of us. That is what we are saying, and let everybody hear us. If they think they need a mediator, they should ask us. We will not go farther than that, because we are clearly outlining church doctrine. We are saying to those who do not want a dialogue, or those do not want people with differing views to come together, that there should be a meeting. I mean a meeting with everybody.

[Unidentified reporter] Does that mean that as soon as the political parties or the government ask you to, you will personally agree to be a mediator at the talks.

[Vargas] Yes, if it is necessary. I will never refuse to do so, considering everything we need to do to achieve harmony in this country.

[Reporter] [Words indistinct] the invitation to the dialogue?

[Vargas] From the two sides, or else we cannot hold a dialogue. If only one sides requests it, the other side will not accept it.

[Reporter] I would like you to clarify your stance in favor of reviewing the personal patrimony tax.

[Vargas] I think that if all the taxes are unified into a clear law, many repetitions will disappear.

[Reporter] As long as there is no unification or a...

[Vargas, interrupting] They are being levied more than once, and sometimes this happens because it is not known there was another... [pauses] We will have to make efforts to seek new resources.

[Reporter] Does that mean you agree...

[Vargas, interrupting] I think so. This is a way of requesting that the tax structure be streamlined as soon as possible so that a tax is not levied more than once. [end recording]

Political Leaders Favor Mediation

PA1706135092 Lima Global de Television Network in Spanish 0100 GMT 17 Jun 92

[Text] The long-awaited dialogue between the executive branch and political parties could take place at the end of June. It would be the first time both sides participated in a dialogue. Until now, there have only been attempts for a dialogue that have never materialized due to factors that have caused a rift between the parties on several occasions.

The dialogue between the government and political parties scheduled for 30 June would be the first one to take place because before the 5 April institutional change there were only attempts that ended as unilateral initiatives. One of those initiatives was promoted by former Senate President Felipe Osterling, who proposed a meeting with President Alberto Fujimori to begin the dialogue, however, there was no invitation for a dialogue at that time.

The differences between the government and the legislative branch became evident last year when the executive branch issued numerous legislative decrees, which were strongly criticized by the political parties represented in the Congress. The legislative branch then called special sessions to review those decrees, many of which were modified or abrogated because they were considered unconstitutional. This action intensified the struggle between the two government branches, which worsened until on 5 April President Fujimori decided to dissolve the Congress and install the National Emergency and Reconstruction Government, which eliminated all contacts between the executive and legislative branches.

We interviewed various political leaders, who gave us their opinion on the subject.

[Begin recording] [Unidentified reporter] On 16 June, the church said it is willing to mediate in the dialogue between the opposition and the government. Does this mean there has been progress and that the long-awaited dialogue will finally take place?

[Former Senator Enrique Bernales] I believe it is a gesture of goodwill and at the same time expresses a need. Despite the efforts made by the political parties to promote a dialogue to reconcile differences, that dialogue is being delayed. Therefore, the climate of tension, which in my opinion is harmful, continues. This tension is not harmful for political parties or individuals, but for the country.

[Raul Ferrero, Popular Movement for Social Action and Integration member] The willingness expressed by the church to help and contribute to find a democratic solution as soon as possible should be interpreted, not only as a positive gesture, but as a contribution that at this time could be very convenient. The political forces represented in the legislative branch, including independent forces, favor the idea of an immediate dialogue.

[Antero Flores, Popular Christian Party member] I believe it is a good gesture. We know very well that on one occasion we asked the church to mediate and participate in the dialogue, and on another occasion we asked the church to head the Council for Peace. We have great hopes and expectations in the church's neutral, serene, and enlightened participation. If the church can contribute to bringing the parties in conflict together and act as moderator in the dialogue, I must sincerely say—I cannot speak for my party—that I view the initiative favorably. [end recording]

Antiterrorist Judge Indicts Shining Path Leaders

PY1706140692 Lima EL PERUANO in Spanish 31 May 92 p A5

[Text] Jose Neyra, the 10th Criminal Court antiterrorist judge, has found 24 "Shining Path" leaders criminally liable in committing terrorist crimes involving their presence in three houses that were used to plan subversive actions. One of these houses served as a residence for Shining Path leader Abimael Guzman Reynoso.

Judge Neyra's report will be submitted to Lima Superior Court President Lino Roncalla Valdivia, who will appoint the "faceless judges" ["jueces sin rostro"] who will hear the oral proceedings against the only two detainees of the group of 24 indicted, and will order the arrest of the rest of them.

The only two detainees are former nun Nelly Evans Risco de Alvarez Calderon and Adelaida Mendez Villegas, while the others who are still at large are: Abimael Guzman Reynoso, Angelica Salas de la Cruz, Elena Albertina Iparraguirre Bernedo, Elizabeth Cardenas Hidalgo, Justa Elita Torrejon Rubio, Judith Ramos Cuadros, Obdulia Victoria Trujillo Aguilar, Adolfo Cornejo Diaz, Andrea Munoz Garcia, Ana Maria Orihuela Orillo, Isolda Murillo Cabrera, Julio Martinez Bances, Carlos Alberto Ulfe Galindo, Angel Walter Humala Lema, Margie Evelyn Clavo Peralta, Emma Saavedra Rengifo, and the renowned counsel of defense for subversives, Marta Huatay Ruiz.

The list also includes married attorneys Yovanka Pardave Trujillo and Tito Valle Travesano, who lost their lives during the repression of the inmates' rebellion at the Canto Grande penitentiary, and Sofia Sanchez Rodriguez. It is presumed that the latter is a false name for Augusta La Torre, Abimael Guzman's wife, who died under yet undetermined circumstances, and whose funeral was recorded on a video that was seized in one of the houses.

The list finally includes Ostaf Arturo Morote Barrionuevo, a brother of Osman Morote, the Shining Path second in command, who is currently under arrest, and Teresa Durand Araujo, Osman Morote's wife. It is worth remembering that Eduardo, the youngest son in the Morote-Durand marriage, has recently been involved in subversive activities, and was detained while participating in a commando operration preparing for terrorist sabotage actions.

According to the investigations, all of them frequently visited the houses located at 165 Buenaventura Street in San Borja District, 277-7 Ricardo Flores Street in Santa Catalina District, and 459 Dos Street in the Mariscal Castilla urban development project in northern Monterrico District, where the "Shining Path leadership" held their meetings.

Abimael Guzman Reynoso used to sleep in the house on Buenaventura Street. Four videos, five revolvers, and a submachine gun were found in the house on Ricardo Flores Street, and the last Shining Path congress was held in the house on Dos Street. The raids were carried out on the night of 31 January 1991 and the early morning hours of 1 February 1991.

Most of the indictees were detained, but were later released by the sitting judges for lack of evidence.

Parties File Amparo Against Tax Increase

PA1706233292 Lima Panamericana Television Network in Spanish 1200 GMT 16 Jun 92

[Text] The representatives of several political parties have filed an amparo against the personal property tax, which they believe to be unconstitutional and unfair. They have also sued Carlos Bologna, economy and finance minister; Manuel Estela, National Superintendency of Tax Administration [SUNAT] director; and several government tax prosecutors. Alejandro Samaniego, the judge of the 24th court, received the amparo and said the defendants would be notified shortly. The amparo was presented to the judge by parliamentarians Jorge del Castillo, (Denis Falby), Victor Garcia Belaunde, Julio Castro Gomez, (Manuel Damner), and (Antro Flores Saraoz). They are legally represented by lawyer Victor Humberto Lasso.

The amparo requests that the 1.5-percent personal property tax, which used to be 1 percent, be declared inapplicable. The document also sues the economy minister [three-second break in reception] as well as the state prosecutors in charge of these sectors. The parliamentarians made brief statements to the media and said this action was not political [five-second break in reception] feel negatively affected and will benefit from the amparo should sign the [words indistinct] that will be placed in strategic points in the city.

[Begin recording] [Unidentified deputy] I think that not applying this increase would be one just act for so many dispossessed persons whose electricity consumption is being taxed once or twice. The prices of other services, such as water, gasoline, and bus fares are also being raised. How could we possibly be reinstated in the world economy when we know perfectly well that those from the outside are imposing more and more problems on us every day.

[Second unidentified deputy] According to Legislative Decree 620, the personal property tax was established at 1 percent. With no legal justification, the government raised the tax to 1.5 percent this year.

[Unidentified analyst] The most serious thing is that this is an unconstitutional and abusive tax applied by SUNAT. The poor will have to pay with money that they do not have. There are four, even five constitutional reasons to oppose the tax increase. I discussed them in an article published in EL EXPRESO on Sunday. First, to the best of my knowledge, the SUNAT people do not even understand economics. In paid advertisements, they said that the tax rate is 1.5 percent. In addition, SUNAT is a tax-collecting agency. It lacks power to establish or change taxes. And the tax is 1 percent, as stipulated by Legislative Decree 620. It was unconstitutionally amended by a presidential decree in 1991. Naturally, the people rebelled because a presidential decree cannot modify the law. [end recording]

Uruguay

Senate Rejects U.S. Supreme Court Ruling

PY1806174292 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1600 GMT 18 Jun 92

[Text] Montevideo, 18 Jun (AFP-NA)—The Uruguayan Senate has unanimously rejected a U.S. Supreme Court ruling, issued on 15 June, which virtually allows the abduction of people in a foreign country in order to have them taken to the United States for trial.

In a statement issued in this regard, the Uruguayan Senate states that this ruling "constitutes a serious decision" because it affects international law and the principle of the territorial integrity of states.

The Senate statement upholds the advantages of extradition as an effective means to combat crime, and adds that "it is not by violating" this international law that the international community will strengthen its struggle against crime.

Venezuela

Communique Criticizes U.S. Court Ruling

PA1906015192 Mexico City NOTIMEX in Spanish 2251 GMT 18 Jun 92

[Text] Caracas, 18 Jun (NOTIMEX)—Venezuela termed today a "violation of international law" the U.S. Supreme Court decision to authorize the kidnapping in other countries of alleged criminals wanted on charges by U.S. courts.

An official Foreign Ministry communique states that the decision "establishes the predominance of force as arbiter of international relations" and warns that such a decision would affect the extradition treaty signed between the Governments of Venezuela and the United States in January 1992. The Foreign Ministry communique states that the measure could affect international peace and security.

On 16 June President Carlos Andres Perez described the U.S. Supreme Court decision as a "supranational pretension."

"A nation can act only within its own territory, and it is impossible to accept one nation's judicial or police actions in the territory of another," the chief of state added.

Venezuelan Foreign Minister General Fernando Ochoa recalled that the principles of international law "recognize and ensure" territorial integrity, sovereignty, respect for human rights, sovereign equality, and the political independence of the states.

The official document does not mention if the existing extradition treaty of 1992 will be revised, as was demanded on 16 June by Panciano Padron, president of the Foreign Affairs Commission of the Chamber of Deputies. It recalls, however, the agreement establishes that "none of the contracting parties is obliged to surrender its own citizens by virtue of the provisions of this agreement."

It also deplores the United States for going against the international pact on civil and political rights (signed, but not ratified by that country), according to which nobody can be subject to arbitrary arrest or be deprived of liberty, except through legal mechanisms.

Perez Reaffirms Decision To Remain President

PA1906020692 Caracas Venezolana de Television Network in Spanish 0000 GMT 19 June 92

[Text] On 18 June President Carlos Andres Perez reaffirmed his decision not to resign as president because that would be betraying the people who elected him to that office. The president made the remark during his customary Thursday radio address, which is broadcast on the national network. In his message, President Perez said there are prophets of doom who spend their time promoting the idea that the president should step down and betray his oath to abide by the Constitution. The president cannot do that because he has a commitment to the people. Perez said he is certain he is fulfilling his duty and is working full time for Venezuela to face existing problems.

For that reason, he insisted he will not commit the cowardly act of resigning. He pledged to lift Venezuela out of the crisis in which he found it and to complete his presidential mandate, abiding by the fundamental objectives he announced during his inaugural address. The president also called on the people not to listen to the campaign of rumors circulated by people who want to create unrest among Venezuelans. He said the country is experiencing a crisis, but that this crisis did not begin yesterday or with his government, which has waged a

very tough battle to cope with it. For that reason, procedures have been put in place to allow greater participation by the citizens, giving a new boost to the decentralization of the country and more democratic modes of participation.

Perez said he is aware that the people's dissatisfaction stems from adjustments that were necessary to lift Venezuela out of its difficulties. Not everything has been negative, however because social programs to benefit low-income groups have been implemented, such as the food scholarship, the milk bonus, the cereal bonus, and the PAMI [expansion unknown] for pregnant women and children under five years of age. He said there are many evils to face, but an effort is being made to overcome the difficult situation. The solution does not lie in forceful actions, as we are fortunate to live in a democratic system that allows us the freedom to express our ideas and allows the person we choose to hold the post of president.

The head of state also said he hopes only to receive the applause of history, which will clearly understand why we made all the sacrifices we have endured already.

Perez on Foreign Relations, Domestic Issues

PA1806153992 Caracas Venezolana de Television Network in Spanish 0000 GMT 17 Jun 92

[Report by Giovanni Daboin]

[Text] President Carlos Andres Perez attended the opening ceremony of a new Proctor and Gamble factory in Guarenas on 16 June. The factory is estimated to have cost approximately two billion bolivares.

On this occasion, the president said he was optimistic about the future because foreign and domestic investments are visibly increasing. According to him, these investments show that the measures to restore the national economy have really been positive.

[Begin Perez recording] As Venezuela's president it is my pleasant duty to attend this ceremony to highlight the efforts being made in our country by foreign investors. They have increased their investments, created new jobs, and increased Venezuela's export capacity. [end recording]

After his speech, President Perez answered questions on national and international topics. Speaking about the economy, the president said the unemployment level has decreased considerably. But he admitted that the relationship between the cost of living and wages is still not balanced. Such a situation causes the people to suffer. President Perez said he believes the situation will improve in a few years.

Perez also talked about politics and agreed that this sector had attempted to jeopardize great opportunities that would lead to the country's economic development. [Begin Perez recording] I am convinced we are accomplishing the program's objectives, although it has taken a while. I am also convinced we have to make greater efforts, especially at the political level, because we have not managed to make our actions correctly understood. However, and as I have said many times when I read polls and tour the Venezuelan provinces, sometimes it rains for a long time but in the end it stops. It will stop raining soon and we are all waiting for it to happen. [end recording]

According to President Perez, that is why it is necessary to reach a comprehensive national agreement. We must not be tricked by false illusions that shortening the presidential term of office will solve our national problems. He said he is pleased that neither the Social Christian Party nor the Democratic Action party had favored this proposal, as it does not benefit democracy.

On international issues, President Perez said he rejects the U.S. Court's decision to allow the U.S. Government to kidnap people suspected of drug trafficking and terrorism and to bring them to trial in that country. He said these are supranational pretensions that cannot be accepted without corresponding international agreements.

When he inaugurated the Procter and Gamble factory in Guarenas, the president said he was pleased because the country's economic development has not been hindered by the continuing national political rumors.

Perez on Political Reform, Border Issues

PA1806040592 Caracas Venezolana de Television Network in Spanish 0000 GMT 17 Jun 92

[Text] On 17 June, President Carlos Andres Perez reaffirmed our national sovereignty from Venezuela's furthermost point: Castillete. At this remote national border, the head of state inaugurated the Edesio Alvarez garrison, which is to be the region's new National Guard headquarters.

The rebuilding of this border post will allow for better operations. The action is part of President Perez' policy to strengthen our borders with Colombia and Brazil. It is also a clear indication that the state will give the Armed Forces the means to carry out the difficult tasks of border surveillance and control.

President Perez announced at Castillete that the former garrison will be used as a school. He also spoke about various domestic matters with reporters attending the event. He ratified our national sovereignty in Castillete and confirmed his democratic convictions. The president said that as head of the Venezuelan state, he would comply with the presidential mandate given to him by Venezuelans with their vote.

[Begin recording] [Perez] Democracy is all encompassing in a state of law. You cannot be democratic in some things in government and undemocratic in others. The

presidential election occurs at the same time as congressional elections and elections for other government officials. A breach in any sector of government is a total and absolute violation of democracy.

[Unidentified reporter] [Words indistinct] the political gambit has been very smart and it seems to have taken the wind out of those who insist that you leave. What does Carlos Andres Perez think about that?

[Perez] I have no opinion. I do not want to debate this topic. As I said before, the Constitution obliges me to comply with my constitutional term, and I will do so. I will do my duty. I am sure the changes I am implementing will satisfy the country and will be highlighted in Venezuelan history.

[Reporter] The constitutional reforms have been delayed. What has delayed them?

[Perez] I do not know why they are delayed. The Congress has to take care of this task. It is a difficult task, and I believe the Congress must take care of it responsibly. I hope Congress will be effective in setting the norms for the constitutional reforms to be proposed to the country.

[Reporter] [question indistinct]

[Perez] I will not discuss that topic. I will only make a general observation: The country's leading organizations must understand that their responsibility is to respond to the requirements of democracy in every aspect of this nation. I have not talked to the president of the Venezuelan Federation of Associations and Chambers of Commerce and Industry, but I am sure he, along with all citizens of Venezuela, agrees with the importance of political parties in a democracy. Undoubtedly, without political parties there is no democracy. At the same time, however, there is also no doubt that the parties must be modernized and renewed to conform to the demands posed by the country's development. [end recording]

Students Occupy Colombian Consulate in Valencia

PA1706221292 Paris AFP in Spanish 2125 GMT 17 Jun 92

[Text] Valencia, Venezuela, 17 Jun (AFP)—A group of students occupied the Colombian Consulate in this city, 100 km west of Caracas, on 17 June to "denounce at the international level the police and government repression" against them, area radio stations have reported.

When AFP asked the Colombian Embassy in Caracas about the incident, an official limited himself to saying that he did not have any information.

Omar Obando Saez, Colombian consul in Valencia who was held by the university students, told reporters that he had been held in his office but there had not been any violence. The students left the consulate after explaining to reporters the reason for the occupation.

In the fourth week of disturbances against the government of Social Democratic President Carlos Andres Perez, students, including 8 and 10 year olds, looted a truck carrying food in Ciudad de los Morros 90 km south of Caracas.

In the densely populated western region of Caracas, inhabitants of three neighborhoods occupied streets and the freeway running east and west through the capital to protest the fact that they have been without water for over six months.

Students Demonstrate in Various Cities 18 Jun

PA1906000192 Madrid EFE in Spanish 2306 GMT 18 Jun 92

[Text] Caracas, 18 June (EFE)—At least 11 people were injured on 18 June during demonstrations in various Venezuelan cities staged by students demanding President Carlos Andres Perez' resignation.

Local radio stations have reported that, in Puerto la Cruz, 250 km east of Caracas, eight persons were injured in clashes between students and policemen near the University of Oriente. Among those injured were four policemen, including two sergeants, who suffered bullet wounds, and four students who sustained minor injuries.

In San Juan de los Morros, 100 km south of Caracas, two students disappeared after police entered Romulo Betancourt University, opposition Deputy Ruben Fernandez reported, adding that he will protest the incident before the courts.

In Caracas, there were violent riots near the Central University of Venezuela (UCV), the country's largest university, which is located in the city center. A group of hooded students hurled Molotov cocktails at riot police, who responded with tear gas.

According to local radio stations, a student was injured during the clashes, and a truck was set on fire near a secondary school.

Caracas Governor Antonio Ledezma said on 18 June he will propose banning the use of tear gas to disperse peaceful student demonstrations, because it affects many people.

Student organizations called for demonstrations throughout the country on 18 June to protest police actions which aim to dissolve peaceful demonstrations and to demand President Perez' resignation.

Demonstrations in Maracaibo

PA1906023892 Paris AFP in Spanish 0120 GMT 19 Jun 92

[Text] San Juan de los Morros, Venezuela, 18 Jun (AFP)—Police and students clashed on 18 June during demonstrations near the Romulo Gallegos Experimental University in San Juan de los Morros, 90 km south of Caracas, the Venezuelan INNAC news agency has reported.

Student protests and riots were centered in Caracas, where there were riots at schools and demonstrations at the Central University of Venezuela, as well as in the oil-producing city of Maracaibo, 500 km west of Caracas.

According to INNAC, the police and university students clashed in San Juan de los Morros after the police broke up peaceful demonstrations with tear gas.

In Maracaibo, after a peaceful "march of mourning" to protest police repression, hooded men burned a truck near the Engineering School at the Luz University.

Caracas Governor on Demonstrations

PA1906022392 Caracas Venezolana de Television Network in Spanish 0000 GMT 19 Jun 92

[Text] The Metropolitan police again had to face groups of hooded individuals who infiltrated student protests and caused disturbances at various Caracas schools on 18 June. Disturbances also were reported near the Luis Caballero Mejias Institute, Gran Colombia School, and the Central University of Venezuela. The demonstrators use the term desk blows to refer to their street protests, which brought traffic to a standstill in some sectors. Metropolitan police fired plastic buckshot and tear gas to counter the attack by the hooded people.

Federal District Governor Antonio Ledezma assured the people that the security corps will not block peaceful demonstrations. Here is Giovanni Daboin's report.

[Daboin] Governor Ledezma made the announcement when asked how his office is handling the protests in the metropolitan area involving students and others who infiltrate the student groups.

[Begin Ledezma recording] The order I gave yesterday was to avoid using tear gas and buckshot to the extent possible. The demonstrations that were announced for some areas of Caracas have taken place. As far as I am concerned, this does not upset me. So long as the desk blows [pupitrazos], book blows, or whatever they want to call them take place in a civilized atmosphere, everything is allowed. We are living in a democratic country, and many people have their reasons for protesting. What we cannot allow, however, is the burning of buses. [end recording]

[Daboin] Ledezma announced he will meet with university authorities and students to combat the presence of infiltrators who try to discredit the student protests.

Poll Shows Perez Disapproval, Fujimori Approval

PA1706150392 Caracas EL UNIVERSO in Spanish 9 Jun 92 p 1, 16

[Text] The latest public opinion poll conducted by Mercanalisis in several major Venezuelan cities reveals that 60 percent of those polled consider that President Carlos Andres Perez's performance has been poor, 33 percent consider it average, and only 6 percent describe it as good.

The recent poll also reveals that a laughable number of people approve of the government's performance. This evidences a lack of confidence and credibility in the government. Caracas is the city where public opinion percentages are most alarming, and where 70 percent consider the government's track record as bad, 24 percent as fair, and 4 percent as good.

The population was also polled with respect to the concentration of power undertaken in Peru by President Fujimori in cooperation with the Armed Forces. This resulted in 47 percent describing Fujimori's maneuver as beneficial, 26 percent believe it is detrimental, and 27 percent are undecided.

This implies that Venezuelans approve, without any doubt, the actions being taken by President Fujimori in Peru. President Fujimori's actions were only condemned by residents of the City of Maracaibo, where 41 percent believe they are detrimental, 28 percent say they are beneficial, and 31 percent are undecided.

The poll determined that, basically, the mere expectation of ending corruption in Peru has made people trust Fujimori's efforts, in addition to believing that the measures adopted will contribute to improve conditions in Peru.

With respect to breaking off diplomatic relations with the Fujimori government, which was decreed by the Perez government, the population of those cities polled did not support this decision. Of those polled, 69 percent disagreed with the decision, 14 percent agreed, and 17 percent were undecided.

When the population was consulted with respect to Venezuela's economic situation, the poll revealed that expectations related to the economy improving in a reasonable amount of time are slowly sinking to unbelievable levels. This lack of expectation is accompanied by a lack of conviction in any single individual. This issue gives evidence of the serious difficulties facing those in search of improved well being or at least stability.

The result of the poll revealed that 62 percent believe that Venezuela's economic situation will deteriorate during the next 12 months, 23 percent believe it will remain the same, and only 12 percent believe the economic situation will improve.

With respect to personal finances, the answers given demonstrate that 34 percent believe they will get worse, 35 percent anticipate they will remain the same, and 27 percent that they will improve. Apprehension with respect to personal finances is noticeable in all cities, but more troublesome in Caracas, which is supposed to be the most prosperous city, offering more opportunities for all persons. Of those polled, 37 percent anticipate that their personal finances will worsen, 33 percent that they will remain the same, and 26 percent believe that they will improve.